THE FINANCIAL POST

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The Nation's Business

New Attitude of Private Capital

Frowns Upon Pseudo-Socialism

Farmers and Income Tax

They Seem to Like It

Their Immigration Views

PRIVATE capital will not loan money to government bodies that intend to use that money to injure the lenders. That seems to be the new note that is creeping into governmental finance. Although there has been no outward evidence of any distinct change in policy on the part of American investment bankers, bond dealers in Canada know that some recent municipal bond issues from Canada, that were intended for sale in the United States market, have had to be distributed in Canada because American bond houses were averse to putting up money for semi-socialistic public ownership enterprises, that they considered unsound and likely to prove unfavorable in their effects upon the established and well-managed public utility corporations of the continent.

* * *

AUSTRALIA has received even more definite rebuff when it has attempted to borrow in London, England, for the state-owned enterprises that labor leaders have induced the Australian people to inaugurate. Recent Australian loans in London have been failures. The British found that when they loaned money to Australia, that country wasted a lot of it on socialist experiments which when they succeeded, did so only at the expense of private British capital. Oil refineries were built to put English and American oil refineries out of business. Merchant boats were built to annoy British boats. The British decided to call a halt to lending their money to be used against them commercially.

"There will be a practical boycott of Australian loan in the future until Australia plainly specifies the purposes for which the money is to be spent," says Herbert N. Casson, well known British writer, who comments on the situation for the Wall Street Journal.

* * *

ALSO of direct interest to Canada is his forecast that:

"The next step that will be taken in England, very likely, will be the amendment of the Colonial Stock Act of 1900.

"This act placed colonial loans on a select list, so that they could be bought by trustees.

"No sort of guarantee was given by the British government to these colonial loans, but they were made to appear sounder than, perhaps, they really are.

"At any rate, ever since the passing of this Act, Australia and the other British Colonies have been able to borrow money at a cheaper rate—fully one per cent. less.

"It is now clear that no Labor government, either in Australia or anywhere else, can borrow money cheaply in London without offering better security and specifying a legitimate purpose for which the borrowed money is to be used."

* * *

THE body styling itself the Canadian Council of Agriculture, and that speaks with authority on the viewpoint of the farmer, passed two interesting, even remarkable, resolutions, the other day. One was on the subject of the income tax; the farmers want it retained; they oppose any further reduction. The other was on immigration. It suggested that the solution of the immigration problem was in creating in Canada conditions so attractive as to make it worth while for people to come here to live.

Since the income tax is essentially a tax upon urban dwellers in Canada, chiefly upon the salaried class, and is, virtually, no tax at all, so far as the farmers are concerned, it is small cause to wonder that Canadian editors are inclined to resent the farmers' resolution on the income tax. They consider it a somewhat self-centered, and even selfish, plea by the farmers. There is a disposition generally to feel that making direct taxes upon the farmer as light as possible, lighter even than upon city folk, is in itself justifiable. It is, in effect, a way of bonusing the farmer, encouraging him to continue his productive work and adding slightly to the advantages of farm existence. But when the farmers pass resolutions demanding that the tax that falls heaviest upon city people be continued upon its present onerous, unjust and annoying basis, the city editors get a little hot under the collar.

* * *

IN THE meantime, a campaign to abolish the income tax entirely is under way. A body, known as the Retail Trade Bureau of Canada, that came into being some time ago, when there was discussion in the camp of the Retail Merchants' Association of Canada, is conducting the campaign, and has Col. W. C. Innes traveling throughout Canada speaking on the subject. Their campaign has caught on. The Montreal Gazette, commending the work, adds its voice to the

(Continued on page 13)

GIVES CUSTOMERS CHANCE TO BECOME ITS STOCKHOLDERS

Dominion Power Offers Patrons Shares of 7 Per Cent. Preferred at Par

POSITION IS IMPROVED

Company Gets More Favorable Contract With Hamilton on Street Railway—Franchise in Grimsby

The Dominion Power & Transmission Company, with headquarters in Hamilton, and generating works at Decew Falls (Power Glen), is the latest public utility to endeavor to get its customers to become its shareholders.

Next Monday, November 15th, 5,000 shares of 7 per cent. preferred, non-callable, non-assessable stock will be offered to the 13,000 customers of Dominion Power at par. The buyers may pay cash in full, or $10 down and $10 the month for each share, and 6 per cent. interest will be paid on the amount paid in, short of the full subscription. No more than ten shares will be sold to any one person. Any employee of the company is authorized to receive subscriptions.

Pays Investors Well

That the investment is an excellent one for the customers of the company is indicated by the fact that in the nineteen years that Dominion Power preferred has been issued every quarterly dividend has been paid promptly. The company's position has been improved greatly in the last year, moreover by the fact that it at last succeeded in getting a less onerous contract with the city of Hamilton covering street-railway service, a contract which has been ratified by popular vote. Of great importance, also, is the fact that the company now has an exclusive franchise for the supply of power to the town of Grimsby, an agreement which likewise has been ratified by popular vote. The clearing up of the Hamilton situation is highly satisfactory from the viewpoint of the company, as well as of the public, since it was becoming increasingly evident that street-railway service could not be continued under the conditions of the old contract.

In the last year, also, Dominion Power has begun construction of a fourth transmission line from Decew Falls to Hamilton, it has built extensions to new sub-stations in order more adequately to meet the demands of increased service. More than 500 new customers have been added, and in the first nine months of the year, 507,478 more street car passengers were carried than in the corresponding period of last year. This last is most gratifying in view of the fact that street car patronage has shown a tendency to decrease in many localities unless the service is kept to the peak of efficiency. That Dominion Power is endeavoring to meet the transportation needs of the public it serves is indicated by the calling for tenders for 24 new, modern trolley cars and the reconstruction of tracks in Hamilton. It also operates a fleet of motor buses. The power lines in the central portion of Hamilton are being placed underground.

Reduces Funded Debt

The Dominion Power & Transmission Company, serves power users through the fruit belt and in Welland and Port Colborne, as well as in Hamilton and Brantford. It operates the Hamilton street railway and three radial lines, including the busy route from Hamilton to Beamsville. It serves approximately 350 square miles of territory with population of 200,000 in sixteen communities. It has one hydro-electric power plant of 50,000 horsepower capacity, one steam plant of 26,800 horsepower capacity and buys 10,000 horsepower from Niagara Falls. The total output in 1925 was 260,588,538 kilowatts. Its assets are conservatively set at $24,341,947.62. The Western Counties Electric Co., Brantford, and the Lincoln Electric Light & Power Co., St. Catharines, are subsidiaries.

The funded debt of Dominion Power, as shown by the annual statement as of December 31, 1925, is $8,158,000, which was a reduction of $253,000 from the previous year. In the same period, the reserves were increased by $158,879.65.

Customer Shares Increase

Customer ownership has grown rapidly in recent years. It was fostered in the first instance as a means of attaining a more understanding attitude on the part of the public toward privately owned utilities. Whether or not this has been the effect, the customer almost invariably benefited, for there is no record of the investment having resulted badly. It is estimated that there are 2,500,000 customer shareholders of public utilities on this continent.

Another power company which sought to distribute its shares among its customers on the Niagara peninsula is the Niagara Falls Power Company, a corporation of New York state of which the Canadian Niagara Power Company is the subsidiary. The offering of 7 per cent. callable preferred on the instalment plan and for cash was readily accepted by customers of the Canadian-Niagara along the border, especially in the communities where the hydro has not penetrated. Southern Canada Power, Quebec Power, Montreal Power, Winnipeg Electric, B. C. Electric and Ottawa Light, have also conducted similar campaigns successfully.

Cardiff Sends Its Agents to Boom Canadian Trade

This week there will arrive at Montreal two young Welshmen who are seeking to establish a permanent trading system between Canada and Wales. Their trip, which will embrace about 4,000 miles of Canadian territory, is sponsored by the city of Cardiff, and has been arranged in conjunction with the Canadian government trade commissioner. The aim is to visit the actual producers of foodstuffs in an effort to increase the direct importation of meat, bacon, butter, cheese, eggs and fruit. These products would be brought direct to Cardiff, as the distributing centre for South Wales and the Midlands.

Much preparatory work has been done by the various interested parties, and transportation and storage facilities are fully prepared to handle the increase in business which is expected. Cardiff is the centre of an industrial community of over 10,000,000 people, and although Canadian products are consumed in large quantities, the bulk of importations in the past have been through distant ports.

Geographically, Cardiff is the nearest of all the English ports, and an original importation of 5,000 barrels of Canadian apples, about five years ago, has now grown to a total of over 200,000 per year. One of Canada's best opportunities lies in the fact that South Wales is largely dependent on imported meat supplies from six to eight months in the year. Cardiff has a population of 230,000, an immediate population of 2,000,000 and is linked up to a population of 10,000,000 within a radius of 90 miles.

Canadian Newspapers Protest Girroir's Use of Senate Letterhead

Exposure by The Financial Post of Use of Official Stationery in Sale of Speculative Mining Stocks Rouses Editors to Strong Objection

DEMAND PARLIAMENT PASS LEGISLATION PUTTING PROMPT END TO SUCH PRACTICE

Sharp editorial protest against the use of Senate stationery for the sale of speculative mine shares has come in the Canadian press, following the exposure by The Financial Post of the circulation of a letter, on Senate stationery, bearing the signature of Senator E. Lavin Girroir, and introducing in blank salesmen for Fiske Gold Mines stock.

Following reproduction in The Post of the letter bearing Senator Girroir's name, various Canadian newspapers have recalled the somewhat similar Stevens' affair that caused a furore in the last election. They take a strong stand against such impropriety. That parliament should take steps to stop the practice is the tenor of the editorial stand taken.

Some of the comments made by the Canadian newspapers on The Financial Post's article are as follows:

A PRACTICE THAT SHOULD BE STOPPED

Ottawa Journal

The Toronto Financial Post, in its issue of October 29, prints the photograph of a letter signed by a well-known Canadian senator (Hon. E. L. Girroir) addressed to the shareholders of Fiske Gold Mines, written on stationery bearing the crest of the Senate of Canada. The letter is as follows:

THE SENATE
CANADA
Ottawa, Ontario.
September 27th, 1926.

To the Shareholders of the Fiske Gold Mines, Limited.

This will serve to introduce Mr. ...., a representative from Philip's & Company, who will explain the work being done by your company referred to in my first letter. He has authority to accept subscriptions for shares in Fiske Gold Mines, Limited, according to your respective allotments.

Yours very truly,
E. LAVIN GIRROIR,
Director of Fiske Gold Mines, Ltd.

Apart from the fact that the property referred to in this letter is in a development, not a productive stage, and that, consequently, its shares are purely speculative, The Journal knows nothing of an adverse character about the Fiske Gold Mines. That, however, is beside the point. The question which this letter brings up again is the propriety of members of the House of Commons and senators using stationery bearing the crests of the House of Commons and senate to promote their private ventures. The practice, we think, is wrong.

It is not a matter of members or senators taking stationery paid for by the public for their private use; let them have all the stationery they want. It is a question as to whether members or senators should be allowed to boost oil mines or gold mines, or any sort of venture, whether good, bad or indifferent, with the crest of the Parliament of Canada. And that, after all, is what such a letter as that written by Senator Girroir means. It may not have been Senator Girroir's intention, any more than it was the intention of Mr. H. H. Stevens in a somewhat similar case, to use parliamentary stationery for such a purpose. But no matter. The fact remains that the crest of the Parliament of Canada is likely, in nine cases out of ten, to endow a business venture with a status and a prestige to which it may not be economically entitled. In other words, it is likely to mislead.

For that reason, as well as for others that we might mention, we think parliament would be well advised to take steps at the coming session to put an end to such a practice.

IT SHOULD BE STOPPED

Toronto Globe

When during the last federal election campaign charges were made against Hon. H. H. Stevens that he had used House of Commons stationery on which to write letters recommending to the public the purchase of stock in a United States oil company, the opinion was generally expressed that if the accusation was true Mr. Stevens had been guilty of a grave impropriety, to say the least. Such action on the part of a member of parliament is considered, and very properly so, as equivalent to the employment of his legislative position to promote his private interests. Mr. Stevens' most ardent defenders did not seek to underrate the reprehensibleness of such a practice. At first they sought to palliate his indiscretion by attributing it to thoughtlessness, and then they entered a general denial of any evidence of wrongdoing. There was no attempt to justify such a procedure; indeed, it was promptly condemned, but some excuse was urged on the ground of its common indulgence by parliamentary representatives.

And that this practice is a common one is becoming more and more manifest. In a recent issue The Ottawa Journal comments with just severity on the custom, basing its reflections on a photograph appearing in The Financial Post (Toronto) of Oct. 29 of a letter addressed to the shareholders of a gold mining company by Senator E. L. Girroir on Senate of Canada stationery.

In condemning as wrong the practice of members of parliament boosting "oil mines, or gold mines, or any sort of venture, whether good, bad or indifferent," on paper bearing the crest of the Parliament of Canada, The Journal says: "It is likely in nine cases out of ten to endow a business venture with a status and a prestige to which it may not be economically entitled. In other words, it is likely to mislead."

The position taken by The Journal is one that will be warmly endorsed by the public. To some extent such letters bearing the parliamentary crest carry, if not an official character, at least an undue weight of authority with many people, and are thus likely to be an abuse of public office. The intention of the writer may be innocent enough, but the custom is not only dangerous but apt to asperse parliament itself, and there will be wide agreement with the suggestion of The Journal that at the coming session of the Houses steps should be taken to put an end to the practice.

THE PRACTICE SHOULD STOP

Toronto Star

Several newspapers have published a letter that appears to have been written by Senator Girroir, as a director of a gold mining company, the letter being dated from "The Senate, Ottawa, Canada," and written on official stationery bearing the crest of the Senate.

The newspapers that print a copy of the letter protest, and we think rightly, against the use of the official stationery bearing the crests of the House of Commons or the Senate on letters written to promote speculative ventures in which they are privately interested.

An incident of this sort caused a stir in the recent federal elections and it seems necessary that some step should be taken to put a stop to the practice. The use of the stationery is generously at the disposal of those who have a right to use it, but there should be some definition as to what use of it is legitimate. "It is a question," says the Ottawa Journal, "as to whether members or senators should be allowed to boost oil wells or gold mines, or any sort of venture, good, bad or indifferent, with the crest of the parliament of Canada."

If members and senators are supplied free with crested stationery for their personal, social and political correspondence, they should be required to provide their own materials for the epistles they send out into the competitive field of business, whether the projects they promote are dizzily speculative or not.

HOLLINGER CONSOLIDATED

The Hollinger Consolidated Gold Mines, Limited, have decelared a dividend of 2 per cent., payable December 2nd to shareholders of record November 16th.

B. A. Oil Tops New High, 65

A new high for British-American oil, 65, was recorded on the Toronto exchange.

British-American oil has come to be regarded as one of the most stable of the oil stocks, particularly because it is purely a distributing and selling company, and is not subject to the vicissitudes of the production end of the business.

Sun Life of Canada, which has a reputation for careful investment, is reported to have bought extensively in this stock. In this instance, however, there is much guessing as to whether the firmness of the stock is due to prospects of something unusually pleasant in store for stockholders.

Apparently there are no very large blocks of stock available.

DEFER DIVIDENDS INTERPROVINCIAL BRICK "B" SHARES

Is Hampered by Weather and Competition in Toronto Market

Holders of Class B preferred stock of the Interprovincial Brick Co. recently received letters from the management explaining why it has been necessary to defer dividends this year.

Since the date of this letter, October 5th, business has improved somewhat, October being a better month in the business than is normal, according to F. B. McFarren, the general manager. Despite this improvement, there will be no Interprovincial dividends this year, except for the Class A preferred, on which dividends have been met regularly since the merger of a year ago last spring, when Interprovincial absorbed Atlas Brick and Interprovincial Clay Products.

Competitive conditions in the Toronto field are not good from the viewpoint of the balance sheet of any of the companies in the field. But Interprovincial officials explain that they have refrained from putting brick on the market at less than actual cost. Consequently, while the volume of business has not been great, operations carried out have been reasonably satisfactory. The adverse weather conditions in the late spring are given as a reason for a drop in actual earnings.

Seeks Distant Business

There is a change noticeable in the character of this company's business. While formerly 80 per cent. of the sales were in the Toronto district, this year's report, it is said, will show sales aggregating 70 per cent. of the total to outside points, some of them distant points, while only 30 per cent. of the products of the two plants (one at Milton Heights and the other at Cheltenham) are disposed of in the vicinity thereof. It was intimated that cultivation of the outside market has been a deliberate policy in view of the price-war prevailing in the company's immediate field.

The company manufactures many varieties of face brick, but not common brick.

Whether or not Class B dividends are resumed next year depends wholly on competitive conditions in the Toronto market, officials say, assuming that the building industry is as active as this year. It is recalled that there were reports of a truce in the price-war early in the year. The factors which prevented this in 1926 may not be present in 1927.

REVIVES COMPLAINT ON RAISIN TREATY

Canadian Grocer Says Canadians Pay Million a Year to Help Australian Growers

That Canadian consumers are paying nearly a million dollars a year for the benefit of the Australian raisin grower, is the opinion of Canadian Grocer, as expressed in an article on the Australian trade treaty which went into effect October, 1925. Imports of Australian raisins have decreased to less than half of what they were during the twelve months previous to the Australian trade treaty coming into effect. The raisins formerly imported from Australia are being now imported from other countries, and the duty paid is now three cents a lb., as against the old duty of 6.7c. The price of raisins has increased about four cents per lb., which is attributed directly to the increased duty.

The question is asked: "Why should a tariff barrier be placed on raisins imported from other countries, when the total Australian crop is only 60,000,000 lbs., and distributed largely to British buyers? The rise in price has caused such a falling off in the consumption in Canada that an agitation is on foot to restore the old basis whereby Australian products would enter free, and enjoy a preference of 2/3 of a cent per lb. Most of the Australian crop is sold to British buyers for world distribution, without much regard for any other factor except a favorable price.

SAY BESCO WILL MINE ALL WINTER ON BRITISH ORDER

Unprecedented Operations Forecast as Result of British Strike

STEEL PLANT BUSIER

Two Hundred More Men Are Taken on as Work Starts on C.N.R. Rail Order

From Our Own Correspondent

SYDNEY.—That the entire Besco output has been sold to British interests and the Cape Breton collieries will work all winter getting out coal to be shipped to the Old Country through the open port of Louisburg, is the information gleaned in usually well informed circles here.

At the present time official confirmation cannot be obtained, but this is probably due to fear of kicking up a row among the miners.

Actually, however, there is nothing to apprehend from this source, as the American membership of the U.M.W. has been digging coal hand over fist for the British market, 3,000,000 tons having been shipped this season from Hampton Roads, Va., alone.

Also, during the long Cape Breton strike of last year, Welsh and other brands of Old Country coal were imported to Canada, so that the striking miners over there cannot now very consistently object to the Canadian brethren doing the same thing.

Some May Go From Sydney

Should the winter prove mild, much of the output could be shipped from Sydney, for although coal shipments up the St. Lawrence cease November 20, Sydney harbor is generally open until after the New Year. In fact, if the winter is mild the closed season here due to ice may last only a few weeks.

It has always been either a feast or a famine in the Nova Scotia coal and steel industries, with present indications pointing to one of the biggest periods of prosperity in their history.

There is also the hope that with the Duncan report and other governmental remedial action in the offing the present mild boom may be stabilized into lasting good times.

Now Find Cannel Coal

A further boost for the coal end of the business is the recent discovery at the old Gardiner seam, Dominion, of a vein of cannel coal, a hard, black bituminous fuel that burns without smoke and is highly valued for certain special purposes.

The find was made in sinking a new shaft 690 feet to tap the old seam that had not been used for years. The extent of the cannel is not yet known. The new shaft was put down from a seam that was worked out to one lying about 500 feet below, thus giving a new lease of life to the old mining town of Dominion.

With the brisk demand for coal both up the St. Lawrence, for bunkers and for shipment abroad, the mines have been working day and night, and have shattered the production records of 11 years, including those of the halcyon days of the immediate post war period.

Take on 200 More Men

Two hundred additional men were hired at Sydney steel plant the first of the present week, and the nail and wire mills have gone on double shifts. The 25,000 ton C.P.R. rail order has been about completed, and work will be started on 25,000 tons for the C.N.R. about the middle of the month.

There are 2,500 men on the payroll, and a majority of these are getting steady employment every day.

A feeling of intense optimism has succeeded the doldrums of the last few years; business men are buying ahead, and the whole local situation is exhibiting all the signs of an impending period of prosperity such as the island has been a stranger to for many years.

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

London Meeting May Result in Trade Treaties
Adverse Weather Affects Wholesale and Retail Sales
Industrial Activity Well Sustained
Demand for Labor Augurs Well for Winter Activity

IT IS now reported that the Federal Parliament will convene on or about December 9th, but it is not anticipated that any legislation having an effect on business will be brought down, as Premier King will not be here for the opening if called to meet before the New Year. Only the necessary supplies and estimates for 1926-27 will be voted on before adjournment until late in January. In the meantime, there is an interest in the outcome of the Imperial Conference. It is recognized that much could be done to further trade within the Empire, and it is thought that additional concessions to Canadian exporters may be forthcoming. Along these lines, a London cable states that negotiations will be started very shortly for a new trade treaty between Canada and South Africa. This is a market that has only been partially developed for Canadian-made products. These treaties may not come at London, but are expected to follow later.

Aside from any benefits to Canadian trade that may arise out of the London meeting, the definite improvement in domestic business shows no retrogression. While wholesale and retail have been effected by adverse weather the present volume of business is greater than at the same time a year ago. This is not due to the approaching Christmas season, but rather to the fact that there is considerably more money in the country. Orders from country points have been somewhat slow in coming forward, owing to the state of the roads, which has prevented travelers from covering any large territory. This, of course is only a temporary setback, and will have no bearing on the sales for the year. Seasonal goods are moving well, there being a steady demand for all lines. This is especially true of the Prairie Provinces, which are experiencing considerable prosperity, due to the good prices realized for crops last year and also favorable prospects for the present season. Wholesale dry goods concerns report a satisfactory demand for practically every line of goods, especially blankets and other woollens. Hardware is active for this time of the year, and groceries are also moving well.

Manufacturing on Good Scale

Manufacturing operations continue on a good scale. There has been a contraction in a few lines owing to the advance of the season. The steel and iron trade continues active, and now appears to have settled down to a scale of operations commensurate with the business offered. This does not mean that the different plants are not busy. The majority of the companies have a goodly number of substantial orders on their books, and their activity compares favorably with that of the summer months. New orders, however, show some falling off as compared with a month ago, but generally speaking, the industry is in a healthy condition. Each day announcements are made of developments of considerable magnitude to be undertaken next spring, and the present outlook for iron and steel is very favorable.

The other lines of industrial activity are also holding up well. The pulp and paper industry is operating at a higher level now than it has ever before. Construction is comparatively active. Woods operations are now getting into full swing, and will be general before the end of this month. The prospects for the pulpwood cut are very bright but there may be a somewhat smaller cut of timber for sawmill purposes. Shoe and clothing manufacturers are experiencing a good volume of business, while the rubber and textile companies have a good volume of business on hand.

Employment Situation Excellent

A favorable sign of the better conditions now prevalent throughout the Dominion, is to be seen in the employment situation. At this time of the year, there is generally a surplus of "floating" labor from the harvest fields, construction industries, etc. This year, however, a number of the larger urban centres report a considerable demand for unskilled men, with a very limited supply available. In Ontario, the request for bush men exceeds the supply. In addition, there is a call for farm hands, with the supply somewhat better, owing to the return of men from the West.

There is a more promising outlook for an improvement in trade with the Old Country. The latest report on the negotiations between the English government, the operators and the coal miners, indicate that the end of this prolonged strike is now in sight. Should an agreement be reached before the end of this month, it is quite possible that trading relations with the Old Country will be back on a normal basis before the end of the year. This will be of particular benefit to the Canadian packing industry, which has been hard hit by falling off in the English demand for its products. This also applies, to some extent to the lumber, butter and other industries exporting their surplus production to the United Kingdom.

The optimistic trade news is reflected in the buoyancy of securities and also in the money market. Collections in all provinces are running well ahead of last year, but in the West they still show signs of following grain marketings. With better weather in that area, further improvement should be recorded. On the Toronto and Montreal stock exchanges, the volume of securities traded last week was somewhat light, but on the other hand the trend of values was upwards, with gains exceeding losses by about three to one. There is no change in the money rate.

Agricultural Survey

Grain Marketings Fluctuate
Cheese Exports Gain
Tobacco Crop Estimate Made
Wool Market Unchanged

THERE is no change in the agricultural situation in the West during the past week, threshing being practically completed in Saskatchewan and Alberta, and with clear, dry weather will be finished in Manitoba by the end of the month. The crop situation in Alberta has turned out better than expected two or three weeks ago, the large yield off-setting the loss in grade. This also applies to Saskatchewan, while Manitoba, which anticipated having a bumper crop earlier in the season, is now faced with a relatively poor yield.

Ocean Rates Higher

Marketings of grain have fluctuated with the weather, but, on the whole, have been fairly satisfactory. There is probably more grain in storage at present in terminal elevators, at the head of the lakes, and at Montreal, that at any corresponding time for some years past. This has been brought about by the lack of export demand and also to the paucity of shipping facilities and consequent high ocean rates. The British coal strike has caused ocean freight rates to soar, and space is at premium owing to fewer tramp steamers calling at Atlantic ports. Since May last, when the rate was 7.5 cents a bushel, the increase has amounted to nearly six cents for November shipment from Montreal to Liverpool, while from St. John, the December rate will be 19.5 cents, as against 9.7 cents a year ago. Rates on other commodities have advanced in sympathy.

Despite these adverse influences on the movement of Canadian grain overseas, the price of grain on the Winnipeg exchange has held up steadily. Wheat, especially, has shown considerable strength, largely owing to the negative reports from Argentina. Oats, rye, barley and flax have followed the trend of wheat.

The volume of new business transacted with foreign buyers in cheese during the week was small, but notwithstanding this fact, the movement for export account was much larger owing to some round lots being forwarded which were held in Montreal on English account. Shipments during the past week were twice as great as in the corresponding week a year ago, but the total movement to date is about 170,000 boxes below the same period of 1925. Butter shipments, on the other hand, were again nil, as there was no buying on export account. Shipments of this product to date are away off, only amounting to about one-third of those for the corresponding period of last year.

Frost Damages Tobacco

The tobacco crop is now estimated to exceed 28,000,000 pounds. Ontario continues as the leading producer, with a yield of 20,000,000 pounds, while Quebec has 8,693,000 pounds and British Columbia 67,000 pounds. Heavy frosts during the last week of September, when the crop was still in the fields, caused severe damage in Essex, Elgin and Norfolk counties, in the province of Ontario.

There is little change in the wool situation, according to bulletin issued by the Canadian Co-operative Wool Growers' Association. The recent advances in prices in the United States has resulted in a momentary tendency on the part of the buyers to hold back, although a fair volume of wool has changed hands to date. As half of the Canadian wool clip eventually finds its way across into American mills, producers are interested in this recent advance in price on the Boston market, although it will have to go higher before much business can be done with American buyers, on account of a very high tariff.

The livestock market remains unchanged, although there are signs of a possible improvement in the very near future. Recent cables from London state that present negotiations are likely to terminate successfully, and in such an event, Canadian packing concerns anticipate a return to normal demand for their products from English buyers by the end of the year, or early in 1927.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925	
Car loadings, week Oct. 30	84,081	73,509+	14%
Year to date	2,641,910	2,387,574+	10%
Merchandise shipped, year to date	706,264	660,626+	6%
Building permits—September (63 cities)	11,036,359	10,140,853+	8%
Construction contracts awarded, October	43,384,600	29,647,500+	46%
Railway Earnings—Nine Months—			
C.P.R. gross	137,331,784	124,674,088+	12%
C.P.R. net	28,632,021	21,635,921+	44%
C.N.R. gross	189,496,292	169,268,260+	12%
C.N.R. net	25,743,334	12,325,763+	108%
Pig Iron Output—tons, September	64,187	34,609	
Steel Ingot production, September tonnage	58,537	45,674	
9 months to September 30	600,542	581,711	
Employment—October index	105.2	98.3	
Newsprint production—September tonnage	151,387	124,704+	20%
Automobiles produced—(Eight months to September 30)	171,953	126,804+	35%
Immigration, 6 months to June 30	70,253	43,241+	63%
Business failures—No. of firms, 9 months to Sept. 30	1,513	1,538	
Liabilities, 9 months	19,191,301	26,550,375—	27%
Imports of key commodities, 12 mos. ending August 30—			
Rubber (raw, in pounds)	46,189,124	38,893,355+	19%
Cotton (in pounds)	135,273,867	112,347,584+	20%
Crude petroleum (in gallons)	601,312,867	499,059,190+	20%
Exports of key commodities (12 mos. end. Aug. 30—			
Canned salmon, lbs.	637,386	770,055—	17%
Newsprint, cwt. (12 mos. end. Aug. 30)	32,384,966	26,314,055+	23%
Wheat flour, bbls. (12 mos. end. Aug. 30)	10,671,368	10,228,177+	4%
Wheat, bushels (12 mos. end. Aug. 30)	269,761,912	154,110,268+	75%
Grain receipts, Aug. 1 to Oct. 29	110,757,723	129,010,091—	14%
Bank clearings, October	1,645,457,080	1,709,651,392—	3%
Savings deposits, Sept. (chartered banks)	1,343,116,753	1,268,554,097+	5%
Current loans, Sept. (chartered banks)	959,889,525	903,717,736+	6%
Exports, 12 months to August 31	1,335,895,766	1,268,554,097+	5%
Imports, 12 months to August 31	976,886,332	837,787,939+	16%
Balance of trade, 12 months to August 31	346,294,380	292,965,618+	18%
Price level, September index, 236 commodities	152.5	156.2	
Cattle—Good, Toronto, Nov. 9	$6.50	Nov. (Aver.)	$6.81
Wheat, No. 1, Nor. Winnipeg, Nov. 9	1.47	Nov. (Aver.)	$1.42
Hogs—Select, Toronto, Nov. 9	11.75	Nov. (Aver.)	$1.42
Pig iron (Number 1 foundry) Nov.	25.30	Nov. (Aver.)	26.85
Bond sales, 10 mos. to Oct. 30	527,319,576	424,862,364	
Life Insurance Sales, September	34,878,000	33,543,000+	4%

British Income Tax Has Few Changes Touching Canadians

Holders of British securities who have paid income tax to the British government, can still obtain refunds under virtually the same conditions as have already applied. W. R. Fairbrother, London, Eng., income tax specialist, informs The Financial Post that recent changes do not repeal any of the provisions under which relief can ordinarily be claimed, and, therefore, repayment may still be claimed under the following headings:

Exemption in respect of dividends on certain British government securities where the beneficial owner is ordinarily resident abroad;

Exemption in respect of interest or dividends on foreign or colonial securities, stocks, etc., owned by a person not resident in Great Britain or Northern Ireland;

Reduction or exemption from tax on income from sources within Great Britain and Northern Ireland in the case of a British subject, crown servant, ex-crown servant, widow of crown servant, servant of British protectorate, employee of missionary society, resident in the Isle of Man or Channel Isles, or resident abroad for sake of own health or health of member of the family.

Reduction of tax where income tax has also been paid on the same income in another part of the empire. In particular the provisions of Section 23 of the new act will relieve many taxpayers who have suffered considerably owing to the double taxation of Irish income; but claims for relief may still be lodged for the years 1923-24 to 1925-26, which fall outside the scope of the agreement between the respective governments.

Canada Grows 28,000,000 Pounds of Tobacco in 1926

Canada as an important tobacco producing country is the picture gained from a preliminary report on 1926 tobacco production in Canada, just issued by the Dominion Bureau of Statistics. Despite somewhat unfavorable weather conditions in the tobacco growing areas of Ontario and Quebec this year production was almost up to the 1925 level. There was produced a total of 28,824,000 pounds of tobacco as against 29,255,000 pounds in 1925. The crop this year would have been much larger had it not been for unseasonable weather, Ontario growers alone having lost 7,500,000 pounds of tobacco in September and October due to severe weather.

Ontario produced 20,064,000 pounds of tobacco this year; Quebec 8,693,000 pounds, while British Columbia served notice on the world that its Okanagan valley is going to attempt tobacco production, by producing 67,000 pounds.

Flour Mills Producing at About 1925 Rate

Canadian flour milling is starting the new milling season, which runs from August 1 to August 1, at approximately the same rate of production as last year.

Canadian flour mills produced 1,634,098 barrels of flour in September as against a slightly less quantity in 1925. Production for the two months of the year to date has totalled 2,678,000 barrels against 2,629,300 barrels.

Flour exports in two months amounted to 1,071,690 barrels as against 1,345,940 barrels, a considerable decline.

Grain Movement Only Now Getting Under Way

Unseasonable weather in the West has retarded threshing to an abnormal degree and this is shown in the lateness of marketing of the western crop this year.

Government figures show that the grain movement is only now getting into full swing in the West.

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Dismiss Charge Against L. R. Steel President

In a decision of interest to thousands of people throughout the United States and Canada who were investors in the former L. R. Steel enterprises, which failed in 1923, and of importance because of its bearing on recognized methods of financing new companies, Justice Larkin in the supreme court at Buffalo has dismissed the indictment returned more than three years ago against W. M. Wilkins and certain other officials of the defunct companies, charging them with illegally receiving commissions on the sales of stock.

It was charged that Mr. Wilkins, as an officer of the former L. R. Steel Service Corporation, received commissions on the sale of stock of the Steel Realty Development Corporation in violation of the law under which the indictment was found. Justice Larkin, in quashing the indictment, said it was never the purpose of the legislature to penalize a transaction such as had been made the basis of the indictment, but that the purpose of the law was to prevent manipulation by corporate officers of stock in corporations by which they were employed. As to the propriety and legality of the acceptance of compensation by the indicted officials in the form of commissions on the sale of stock, the court held that the Steel Realty Development Corporation was a new concern and it was absolutely essential to its existence that its corporate stock be sold.

W. M. Wilkins was secretary and general counsel of the former L. R. Steel Companies. He is now president of Steel's Consolidated, a new corporation which was organized to take over the assets of the defunct companies. Approximately 26,000 of the stockholders of the former companies contributed proportionately to the fund that was used to purchase the assets from receivership and to establish the new company, which now operates 54 five-cent to $1 variety stores in the United States and Canada.

Vancouver Building Doubles Over High Total of 1925

Building permits issued in Vancouver in the first ten months of the year totaled $14,684,247, over double the value of permits in the same period of 1925. Record shows:

Ten months, 1924	$ 5,761,429
Ten months, 1925	7,178,463
Ten months, 1926	14,684,242

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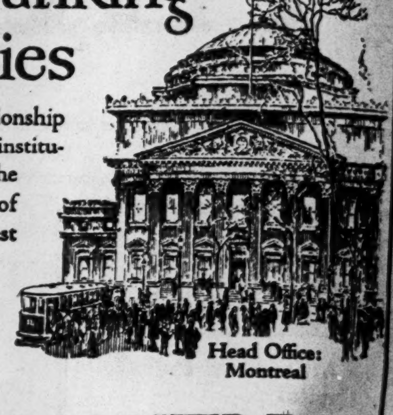

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BOOTS AND SHOES INDUSTRY BETTER BUT STILL TOO BIG

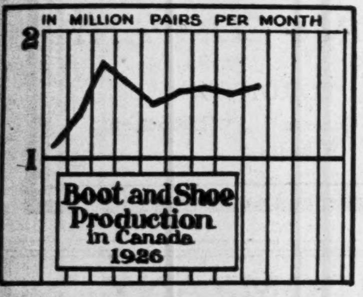
Too Many Small Factories Come in, is the Claim

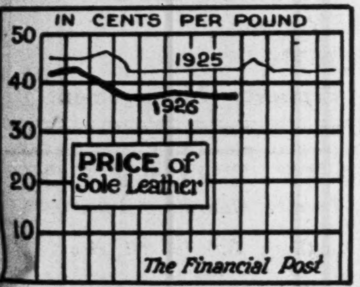
The boot and shoe manufacturing industry of Canada shows of recent months some increase in activity, but heads of different firms state that the industry is far from being out of the woods. Suffering ever since the end of the war from serious overproduction and from a productive capacity beyond the ability of the Canadian consumption to maintain at anywhere near capacity, the industry has as yet failed to re-establish itself as soundly as the leading firms would like to see it.

Many boot and shoe factories have disappeared since the end ofthe war but new factories have come into the field to take their place. One contributing cause for this situation is the ease with which a shoe factory can be started. Most of the machinery is not purchased but only leased under long term contracts from the largest shoe machinery company in the field. This makes it possible to start a factory on a very small capital and small men have started their factories on what is, without intention at punning, little more than the traditional shoe string.

Some Profitable Companies

There are many well organized shoe factories in Canada that are making substantial profits. Most of these are operating either with plenty of capital or are producing products of such distinction as to mark them out from the ordinary. Some of these factories have established a good export trade with the United States, boots and shoes manufactured in Canada being among the few items enjoying free entry into the United States market.





Statistics of boot and shoe production in Canada in September show the quantities of leather and felt footwear made during the month to be 1,644,674 pairs, an increase over the preceding month of 113,457 pairs or 7 per cent. The quantity of boots and shoes with leather or fabric uppers increased by 127,415 pairs, or 9 per cent., while the quantity of felt footwear of all kinds and cloth slippers for house wear shows a decrease of 13,958 pairs, or 13 per cent.

The following table gives the total production of footwear for each of the months January to September:

	No. of Pair
January	1,198,661
February	1,434,503
March	1,762,446
April	1,527,533
May	1,455,807
June	1,550,274
July	1,571,101
August	1,531,217
September	1,644,674

The figures in the above table are exclusive of larrigans and shoepacks, and Indian slippers and moccasins.

The cumulative production of leather and felt footwear for the 9 months ended September 30, 1926, was 13,676,216 pair, or an average monthly production of 1,519,580 pair. The average production per month for the year 1924, the latest year for which complete statistics are available, was 1,420,896 pair.

Now Heads Durant

ROY D. KERBY, now appointed general manager of Durant Motors of Canada. Mr. Kerby has been associated with the automobile industry since 1913, and joined the Durant organization in June, 1925, as sales manager. Prior to this he was associated with General Motors at Oshawa as sales manager of Oakland, Oldsmobile and Cadillac.

Over 80,000 Cars a Week Being Loaded in Canada

Freight car loadings in Canada for the week ended October 30 amounted to 84,081 cars, this being the third week to exceed 80,000 cars. Grain loading increased 911 cars over the previous week, but was 4,445 cars heavier than in 1925; the weather was very unfavorable in the west during October last year. Live stock showed an increase of 339 cars over the previous week's loadings, coal was slightly lighter, all the forest products showed small increases and miscellaneous freight was heavier by 168 cars but merchandise and coal showed small decreases.

Compared with the corresponding week in 1925 the total increase was 10,572 cars. Besides the large increase in grain, merchandise was heavier by 1,345 cars, miscellaneous freight by 2,240 cars, coal by 402 cars, lumber by 410 cars, pulpwood by 436 cars and ore was heavier by 777 cars.

	TOTAL FOR CANADA			CUMULATIVE TOTALS TO DATE	
Commodities—	Oct. 30 1926	Oct. 23 1926	Oct. 31 1925	1926	1925
Grain and Grain Products	22,090	21,179	17,645	368,795	346,830
Live Stock	3,499	3,160	3,445	93,647	102,850
Coal	9,029	9,271	8,627	253,853	174,035
Coke	493	466	414	15,870	12,399
Lumber	3,923	3,608	3,513	157,487	154,776
Pulpwood	1,587	1,544	1,151	114,480	109,659
Pulp and Paper	2,275	2,138	2,108	102,454	87,785
Other Forest Products	3,215	3,012	2,998	133,367	121,305
Ore	2,367	2,108	1,590	75,744	60,948
Merchandise	17,854	17,956	16,509	706,264	660,626
Miscellaneous	17,749	17,581	15,509	619,949	556,361
Total Cars Loaded	84,081	82,023	73,509	2,641,910	2,387,574
Total Cars Received from Connections	40,626	39,863	34,265	1,607,291	1,431,682

WOMAN'S PRIVILEGE OF CHANGING MIND COSTS STORE MUCH

Merchants Seek Remedy for Return Evil Without Hurting Sales

Four out of every ten dresses that the women of the household buy they also return to the department store from which they purchase it. Or if every woman does not return 40 per cent. of the dresses (and shoes) she buys, 40 per cent. of the women return all the dresses (and shoes) they buy.

The cost wizards in the department stores have estimated that it costs 30 cents to bring back a parcel of goods from the customer. Then there is the further loss if the goods are not in the best of condition and cannot be returned to stock.

In one city, they have been inquiring into the expense of the return habit and have found that $7,500,000 of goods are returned each year.

Add to Sale Costs

The woman buyer, of course, cannot see that there is anything wrong in returning goods with which she is not satisfied. In many instances, it is only just that the stores take back such goods and the stores recognize the fact. But the return practice in many instances develops into a habit founded on unreasoning whim which is expensive to all concerned, including buyers.

If there is a direct cost in bringing back the goods to the store, and if because of diminished appearance or because they were out of stock during their normally best selling period, the goods must be marked down in order to move them, it follows that the return habit is an evil of business which must add enormously to operating costs. The average woman buyer will not be able to see, or will not admit, that anything she does to add to a store's operating cost will, in the end, react to her disadvantage in increased prices for goods. The obvious fact that operating costs are a big factor in fixing selling prices does not occur to the thoughtless bargain hunter who so often changes her mind when she gets the goods home.

Shopping by telephone has increased enormously in recent years. Telephone shopping is considered one of the principal bulwarks of the downtown department store against the competition of the neighborhood store. But shopping by telephone, while it will not be discontinued, has brought in its train an increase in the return evil. The woman of the household is willing to buy unsight and unseen only if she has the privilege of returning the goods if they are not what she pictured when reading the advertisement. The exercise of the privilege is costly in time and money.

Worn to a Party

If the dress or the shoes invariably were returned to the seller in as good condition as they were sent out, the evil would not be so expensive. But the value so frequently is markedly diminished. The dress may have been worn to a party or two, and once in a while it is evident that the shoes which the salesman takes back have been depreciated in value. The doctrine that the customer is always right enables the buyer to get away with such petty frauds. But the worm, represented by the merchant who is endeavoring to maintain a high volume of sales, may turn.

Recent studies are evidence that the merchants at last are searching for a means actively to combat the practice which is adding to selling costs, selling prices and profits. In cities it is a fairly well-established rule that any goods cut from a bolt at the customer's personal direction cannot be returned. Elsewhere, a system of secret marking has been developed which will enable the salesman to determine whether or not a pair of shoes or a party dress has been worn. But both these rules are mere palliatives. A real remedy for the situation is yet to be discovered.

Gold Dust-Dalley Deal Finally Through

Gold Dust Corporation has completed the purchase of the entire shoe polish business of F. F. Dalley Corp. and its subsidiary companies. The purchase price was $3,000,000 cash, 1,500,000 6 per cent. notes, and voting trust certificates with respect to 100,000 shares of common stock. In order to obtain the cash required for this transaction, the corporation sold the $2,076,000 of 5 per cent. debenture bonds of the American Cotton Oil Co. held in its treasury, and the amount outstanding is, therefore, $5,000,000—the total amount originally issued. On the other hand, the corporation has been able, during the fiscal year ended Aug. 31, 1926, to repurchase approximately 50 per cent. of its 6 per cent. serial notes issued in connection with the Dalley purchase, leaving only $752,000 outstanding as of the close of the fiscal year. Of these outstanding notes, $250,000 mature on Nov. 24, 1926, and will be paid out of current funds. The corporation, in connection with the Dalley purchase, having assumed the obligation of the outstanding first and second preferred stock of Morris Howard Realty Co., a subsidiary of the Dalley Corporation, amounting to $250,000 par value, and callable at 102 per cent. of par, which stock was outstanding in the hands of the public at the time the shoe polish business was acquired by Gold Dust Corporation, has elected to redeem this stock on Nov. 1, 1926, and will do so out of current funds.

Since the acquisition of the shoe polish business on Dec. 1, 1925, the officials of the corporation have been actively engaged in reorganizing that business and in bringing about the economies contemplated at the time the business was purchased. The reorganization has been substantially completed. The main features of the work have consisted in the consolidation of plants, whereby all shoe polish products are now made in one modern plant located at Indianapolis, whereas they had previously been made in four separate plants; a large reduction in and consolidation of the selling forces, heretofore operating separately, in the distribution of soap and shoe polish lines; the discontinuance of obsolete and unprofitable shoe polish lines, and the absorbing of all head office departments of the Dalley Corporation by similar departments of Gold Dust Corporation, thereby to a large extent doing away with the head office expense of the former shoe polish companies.

See Steel of Canada Selling at Around 116

Steel Company of Canada's net income this year, according to preliminary estimates, is likely to be considerably larger than in any year since the war, and this expectation is doubtless responsible for the recent steady accumulation of the common stock. Furthermore, it is beginning to be realized that this issue may now fairly claim to be rated as a seasoned industrial investment stock, and as such, is entitled to sell on a materially higher plane than previously. While Steel of Canada's earnings were very large during the war, after the conclusion of peace there was a disposition to question the company's ability to make anything like a similar showing under normal conditions. How little justification there was for this belief is clearly shown by an examination of the company's statements from 1919 to the end of last year. In this seven-year period net income applicable to common stock, after ample appropriations for depreciation, averaged about $11 a share, and no one can very well claim that this period was a favorable one from an industrial standpoint. It would seem fair to infer that, if the company was able to do so well under subnormal conditions, it should do a great deal better with business on the upgrade in this country, as we believe is now the case, say McCuaig Bros. and Co., of Montreal. In 1925 net income was equal to nearly $12 a share on the common stock. This year, barring some unforeseen contingency, the company might easily show somewhere between $15 and $20 a share on the common. At the end of 1925 the company's balance sheet showed net current assets to the value of $12,694,000, or over a million dollars more than the outstanding common stock. Few Canadian industrial corporations are in equally strong financial position. At current market price the common stock affords a return of nearly 6½ per cent. "In our estimation, by comparison with other issues of equal merit, it is warranted in selling on a 6 per cent. basis or around 116," concludes the bulletin.

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Securities Markets

STOCK BARGAINS LESS NUMEROUS THAN LAST YEAR

Investing To-day Should be for Long Term Trend

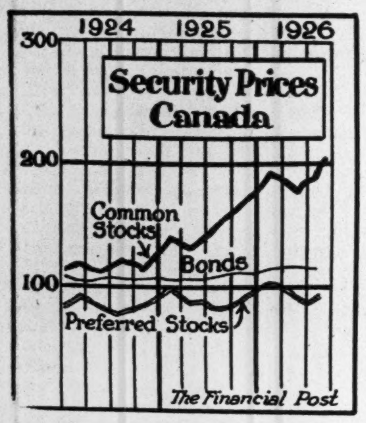
MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of Nov. 10	92.8	91.0
Week of Nov. 5	91.8	89.6
Month of Nov., 1925	78.5	73.7
9 Bank Stocks		
Week of Nov. 10	$224	$223
Week of Nov. 3	224	222
Month of Nov., 1925	221	218
10 Public Utilities		
Week of Nov. 10	98	96
Week of Nov. 3	98	96
Month of Nov., 1926	92	90

The man who writes the market letters for a Toronto brokerage house was studying at home the other evening, puzzling over the trend of prices and the many influences that affect security prices one way and another. The fire in the grate in his study was getting low, and he went down to the coal room for another scuttleful. As he stooped to pick up the scuttle, the bottom fell out. He transferred the coal to a basket, and as he picked up the basket, the bottom of it as well fell out. Not being superstitious he did not take the co-incidence as a prophecy that the bottom was going to fall out of the stock market he was so glibly writing about, but it did set him thinking more introspectively about security markets in general. The net result of his reflections was a conviction that it was a time for careful investment.

Long Term Outlook Excellent

Every time is, of course, a time for careful investment. Just now though there would seem to be especial need for choosing soundly. Canadian stock markets have followed New York in an almost steady rise that has brought the average of the more speculative stocks to almost double the values of two years ago. Surely this discounts most of the improvement Canadian business is seeing, and is going to see. Not all stocks have joined in the general upward movement. There are still undervalued stocks in Canadian exchanges, but they are not as numerous as they were six months ago.



If we take the long forward look though, investment buying to-day has its appeal. If one has genuine faith in Canada, we can purchase with confidence almost any group of good securities—whether bond or stock—on the Canadian investment markets today, and count on substantial profits in five years' time. Only common sense and thorough diversification are the priceless ingredients in such investing. But for the shorter hold, there is undoubtedly some nervousness regarding the more sensational market favorites of the past year. If the New York market sags and if business were to let up either here or in the United States, the market would have to carry quite a load.

Bottom Not Falling Out

The bottom is not going to fall out of security markets, as it did out of the coal scuttle. The over-expanded conditions of 1919-1920 in business and in security prices is not with us, or if it is the shrewdest observers cannot see it. Just do not get carried away by enthusiasm when some stock starts gyrating promisingly—that's the soundest advice to-day.

The little chart shows how the common stocks have risen. It shows also the more moderate advance of the investment issues — preferred stocks and bonds, an advance in line with the long-term trend, which seems certain to continue upward for many years to come.

During the past week, the stock markets in Canada have been quite devoid of sensation. Half—103 out of 208—of the stocks in The Financial Post's table on the page opposite, actually showed no change during the week. There were more gains than losses, but both gains and losses were moderate in almost every case.

The weighted index number of the 25 best selling industrial and public utility common stocks on the Montreal and Toronto Exchanges, computed by the Dominion Bureau of Statistics, rose from 209.3 for the week ending November 6, to 212.0 last week.

The weighted index number of the volume of stocks traded fell from 44.1 to 42.3 and that for the total value of stocks traded from 92.3 to 89.7 for the same period.

Week's Gains and Losses

	Gains	Losses	Unch.	Total
Banks	4	2	3	9
Paper	9	2	3	14
Steel	8	1	24	33
Foodstuffs	16	7	19	42
Utilities	10	6	12	28
Tractions	5	4	6	15
Textiles	4	2	10	16
Industrials	15	10	26	51
Totals	71	34	103	208

Nip. Shows Interest in Duprat Groups

A great deal of interest has been displayed of late in regard the study which Cyril Knight, Nipissing geologist, has been making of the Duprat claims in Northwestern Quebec. What he was after no one seems to know. He was welcomed at the Duprat property and spent some days in making a study. One possible explanation is that Chas. Richardson, Nipissing scout, had holdings to the west of Duprat. It may be that Mr. Knight was trying to trace the interesting discoveries made on these properties to see if they run west into the Richardson holding. The only trouble with this theory is that Mr. Knight spent a couple of days on the south group of the company's holdings and this adjoins the group of Consolidated Smelters.

TRAIL SMELTER RECEIPTS

The Consolidated Mining and Smelting Company of Canada, Limited, makes the following statement of ore receipts at Trail Smelter from 22nd October to 31st October, 1926, inclusive, and from 1st January, 1926, to date in tons:

	Week	Year
Company's mines	11,306	343,773
Other mines	4,080	136,651
Total	15,386	480,424

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LIMITED
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Sterling Security Reports are prepared by Registered Professional Engineers

FAMOUS PLAYERS NOT TO PRODUCE MOVIES ON COAST

Files Papers in Accordance With Decision of Privy Council

No company is producing moving pictures in Canada and none is contemplated.

It was reported from Vancouver that Famous Players Canadian Corporation were to establish a plant in British Columbia for film production. There evidently is nothing to this.

N. L. Nathanson, managing director of the company, explained that the incorporation in British Columbia is merely a matter of routine in compliance with the British Columbia law which compels the filing of papers of any corporation doing business there. Famous Players Canadian Corporation has a Dominion charter but the British Columbia law does not recognize that charter and the privy council in Great Britain has decided that provinces may do as they see fit with regard to Dominion charters, or corporations chartered in sister provinces.

In view of the limited market, it is thought improbable that success would result from a motion picture producing venture of a purely Canadian character. There have been, however, a considerable number of film plays enacted wholly or in part in the natural scenery of the Dominion.

Sutton, Fighting Back, Forms New Wholesale Traders

With an authorized capital of $100,000, the Canadian Wholesale Grocers Limited has been organized with head office at Toronto, according to Canadian Grocer. The reasons given by the company for the organization is that in their opinion the time has come when some definite means should be adopted for the protection of the independent retailers. Accordingly, this company is one which is owned and controlled by the independent retail grocers themselves. It is intended that the company will be operated for the benefit of its shareholding retail customers, and in order that they may be able to obtain their supplies at the most reasonable cost. Loyalty is expected through the medium of share ownership, and upon this will depend largely the economies of operating expenses.

There are to be 950 preference shares with a par value of $100 each, and 5,000 common shares with a par value of $1 each. The preferred shares will be a 7 per cent. cumulative stock. The promoter of the company is Wm. E. Sutton, who was formerly in the wholesale grocery business, and who was removed from the lists of certain manufacturers because he was considered to be a "desk jobber." Other directors are D. W. Clark, David Bell, F. W. Black, H. G. Authors, F. J. Watson, J. N. Scott, G. R. Moyer and F. L. Curtis.

Western Grocers' Profits Said to be Gaining

According to experience of the company during a part of the current fiscal year the recapitalization of Western Grocers was a beneficial operation and has served to make possible an improved showing of earnings as applicable to the company's now outstanding securities.

Reliable information indicates that during the first six months of the company's current fiscal year earnings have been very satisfactory, and because of the new capital structure, the margin of profit as available for dividends, now bulks very much larger and places the securities in a generally improved position. For the six months, according to this information, the earnings were sufficient to take care of all operating and other charges and to leave as available on the preferred shares a sum equivalent to 7 per cent. thereon. In other words, during the first six months of the year the full year's preferred dividend was earned. As there are outstanding 11,943 shares of the preferred stock, this would indicate a sum of about $83,000 as earned.

Stores Split on Signing E. W. Gillett Price Contract

Wholesalers and retailers generally have signed the price maintenance contract of the E. W. Gillett Co. But, according to information reaching Canadian Grocer, some of the larger retailers—those who have been buying direct in large quantities—have not as yet agreed to sign the contract and maintain the price. Sales people at The T. Eaton Co. told Canadian Grocer that they were not handling Magic Baking Powder, but they did not know just why. It is understood that, while the company would agree to maintain the set prices—34c. for non-service department, and 37c. for the service department—they would not sign a contract to this effect.

The Dominion Stores, Ltd., pointed out to Canadian Grocer that they did not agree with the principle and did not sign the contract. On the other hand, Arnold Bros. signed it and are selling the goods.

Enquiry at the Robert Simpson Co. elicited the information that Magic Baking Powder was on sale there at 37c; they have apparently signed.

Dominion Stores Gain Is Promise of Bonus

While Canadian stock markets were closed on Thanksgiving Day, Dominion Stores sold three points higher in American markets at 63. As this security is held largely in the United States, the move is regarded as having significance. In view of the company's comfortable liquid position, the fact that all prior securities have been retired and the steady growth shown in earnings this year, possibilities of a generous distribution to shareholders this year-end are being discussed on the street. The company is continuing its policy of expansion, and it is regarded as not unlikely that new shares will be issued for extension purposes, with important rights to shareholders. Holders of Dominion Stores stock in the past have been generously rewarded by way of stock bonuses.

RAILWAY EARNINGS

Week end.:	1926	1925	Change
Canadian Pacific			
Oct. 31	$6,864,000	$5,759,000	+$1,105,000
Canadian National			
Nov. 7	$6,063,789	$5,782,818	+$280,971

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Editor, The Financial Post

I am glad to renew my subscription, having in mind a very thoughtful reply to a recent query.

—An Ontario Investor.

SAYS PAT BURNS WAS MISQUOTED

In Any Event, Courts Would Have to Pass on Gunns Ltd. Plans

"I have a telegram from Pat Burns stating that a Calgary paper had no authority to quote him as saying that he had been offered a controlling interest in Gunns' Limited, of Toronto."

This was the statement of Brigadier-General John A. Gunn, president of Gunns' Limited, to The Financial Post with reference to a Calgary newspaper report that the Western Canada meat packer was about to become the principal stockholder in the Toronto concern, plans for the reorganization of which have been in the making for some time.

General Gunn added that he had no statement to make and did not think that one would be forthcoming immediately, if at all. Others in Toronto interested in the welfare of the abattoir company likewise professed ignorance of any plans whereby Mr. Burns would secure control of the Eastern packing house.

Any reorganization plans by the directors of the company would have to have the sanction of the courts in view of the injunction secured ten days ago by Frederick Lucius of Montreal, who claimed that he represented himself and all other preferred stockholders except D. W. Gunn, managing director. The injunction was granted on the charge that the agreement dated September 30 last would take from the preferred stockholders control in the company.

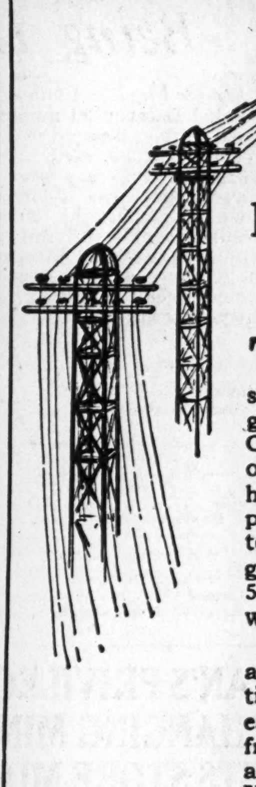
Reorganization of some sort is said to be necessary because Armour & Co., of Chicago, are pressing for payment of a $375,00 loan made to Gunns' Ltd., in 1922 by Morris & Co. Armour & Co. since have bought out Morris & Co., and are liquidating the estate.

Gunns Limited have not been prosperous since 1921. Dividends on the preferred stock were paid until February 1, 1921, and none since. On common, payments aggregating 165 per cent. were made from the date of incorporation to February, 1920.

In his petition for the injunction, Frederick Lucius declared that, in his opinion, the interests of the preferred shareholders of the present company would be better served if the company were liquidated rather than reorganized.

Export House Lumber

"British Columbia Houses" is the name of a new company capitalized at $100,000; the object being to engage in export of mill cut lumber for the erection of houses in London, England. Land has been purchased in England for the site of these dwellings.



Canada Northern Power Corporation
Limited
7% Preferred Stock

THROUGH its subsidiaries this Company supplies almost exclusively the power requirements of the great mining districts of Nortern Ontario and Northwestern Quebec, operating an extensive system of hydro electric plants, air compressing plants and electric lighting and telephone systems which serve the growing towns of the North. A new 50 mile transmission line to Noranda will be completed in the near future.

Current earnings on this issue are at the rate of over two and one quarter times dividend requirements. These earnings do not include any benefit from a number of power contracts already signed, such as that with Horne Copper Corporation (Subsidiary of Noranda Mines Limited).

Dividends are payable January 15th, April 15th, July 15th, and October 15th.

Price: at the market to yield over 7%

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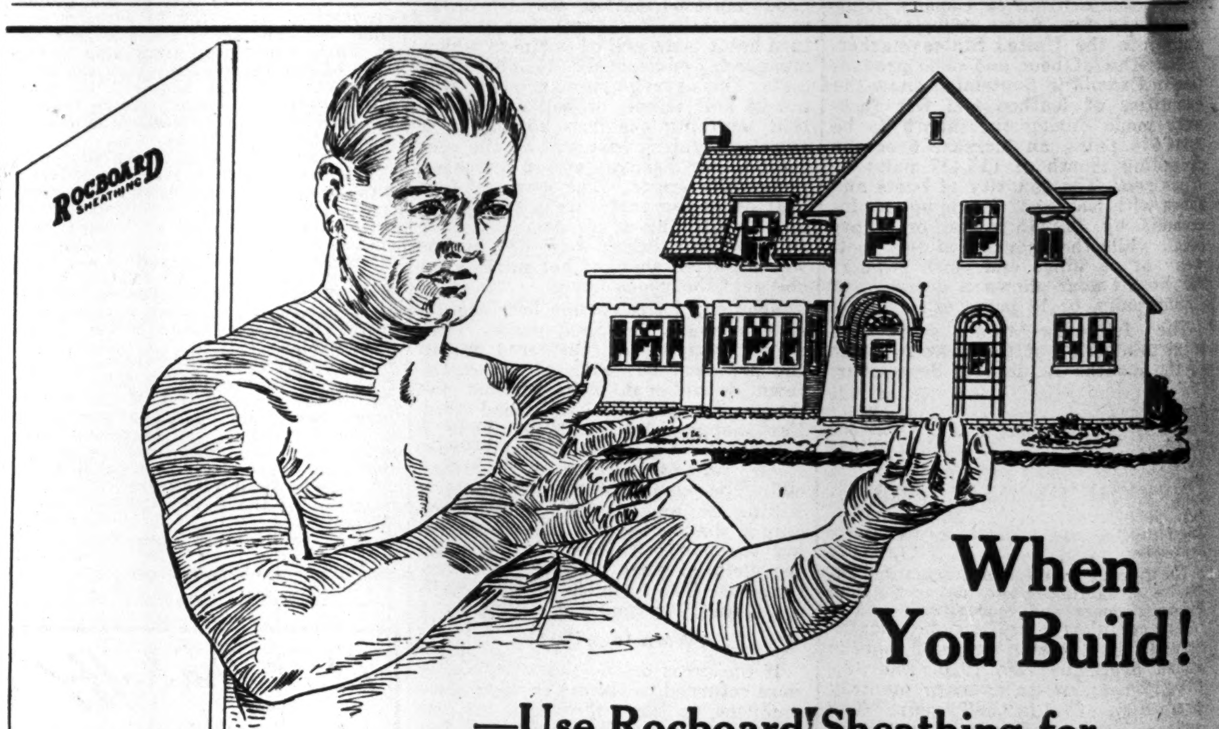
JOHN R. LITTLE Managing Director



When You Build!
—Use Rocboard Sheathing for Strength and Economy

HERE is a wonderful, new product—Rocboard Fireproof Sheathing—which is not only less expensive, lighter, easier and quicker to erect than wood sheathing—but is positively guaranteed to give you stronger, better, fireproof walls.

With Rocboard available the use of wood sheathing in building construction is an extravagance—a costly mistake. For Rocboard is far superior to wood sheathing. It costs much less, provides insulation against heat, cold and sound, and has a structural strength equaled by no other sheathing material in the world. All ready to apply, it makes a perfect backing for stucco, brick or wood. And you save money in erection besides having a stronger, better insulated, more comfortable home.

ALL WASTE ELIMINATED
Rocboard cuts, nails and saws easily without waste. No knots or bad ends. No felt or building paper required. You simply nail the smooth, flat sheets to the framework.

WRITE FOR FULL INFORMATION
See your dealer in Gyproc, building supplies or lumber, about Rocboard Fireproof Sheathing or write us. We will gladly send you all information free.

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Why Build to Burn? Use
ROCBOARD SHEATHING
Fire Proof Cold Proof Heat Proof
94

DOES NOT THINK C.N.R. DEBENTURES GOOD SPECULATION

Bond Man Doubtful as to Government's Future Plans

Although no official word has yet been given out with regard to the Hon. J. A. Robb's attitude regarding C.N.R. income debentures, the market for this security has shown some strength, and current quotations are now between 71 and 73. Average opinions as to the ultimate fate of these bonds still exists, however, and The Financial Post has received a letter from a bond dealer who gives his views on the situation. He states:

"At a meeting of the bondholders' committee and the representatives of the Canadian National Railways, a settlement was arrived at, subject to the approval of the Dominion government and the bondholders, whereby the present securities would be exchangeable, par for par, for railway bonds guaranteed by the Dominion of Canada, bearing 4½ per cent. interest on and after May 6, 1930, and repayable in 1970. These negotiations, we understand, were carried on during the short regime of the late Conservative administration. Almost immediately after the present Liberal government was appraised of the situation the minister of finance announced the government's intention of repudiating the scheme.

Would Have Equalled 93½

"It is reasonable to assume that the Liberal administration will be in power in the year 1930, in which event, when the subject of the repayment of these securities comes under discussion, it may be difficult to explain why the present settlement was not accepted, whereby the necessary funds for redemption would have been borrowed for forty years at a cost of 4½ per cent. In other words, if the settlement had been accepted the income charge debentures would have been paid off at 93½, which would be the approximate value of the proposed refunding issue in 1930 in comparison to other securities of a similar nature, providing interest rates were substantially equivalent to those in force at the present time.

"In the event of payment being repudiated in 1930; while the bondholders have foreclosure rights, in our opinion, the federal government is a law unto itself. Taking this as a basis it is hardly conceivable that the government would allow the income debenture holders to foreclose the lines to satisfy a mortgage behind which there cannot possibly be any security, after prior charges are satisfied; rather than this they would, in our opinion, appoint a commission to determine the rights of the debenture holders and arrive at a just settlement.

Average Cost About 55

"Having some knowledge of the volume of transactions which have taken place in this issue during the past six years, we believe such a commission would find that a large portion, if not a substantial majority of these debentures, had changed hands during the years 1920 to [illegible] inclusive, at prices ranging from [illegible] to 75. In other words, it would doubtless be found, from the register and the records of the London Stock Exchange, that few if any of the original investors who paid 95 for their holdings still held these securities, and that the average cost to the present holder was in the neighborhood of say 55. The majority of present holders, therefore, made their purchases at speculative prices. While this is merely assumption, if these facts were substantiated, the finding of any commission so appointed can be estimated; especially when it is realized that any settlement would probably be on compassionate grounds.

"To offset some of these statements, however, it must be remembered that the issue forms a definite mortgage on the lines in question, and, as such, the holders are entitled to a just accounting of profits and losses, assets and liabilities. These, the company may have difficulty in producing, owing to the coordination of the various railway companies, in which event, if the demands for such information were insistent, it might be to the advantage of the government to make a more generous settlement than that suggested above.

"We notice in your last week's issue that you quote an opinion of E. G. Long, K.C., regarding the status of this issue. According to our records this opinion was previously published in your paper early in 1923, and at that time we quoted substantially the same extracts in one of our circulars. Upon taking up the matter with Mr. Long, however, we were informed that the opinion then quoted, consisted of a series of extracts, liable to be misleading, and that the report should not be considered except as a whole. We accordingly advised our customers to this effect in a supplementary circular.

"To sum up the situation, therefore, it is our opinion that the present price of 72, which is equivalent to 85½, allowing for 5 per cent. compound interest between now and 1930, is above the present worth of the debentures, and that the possible profit of 14½ points over and above legitimate compound interest is not sufficient to make the purchase even a good speculation considering the risk involved as far as repayment at par on maturity is concerned."

What C.N.R. Man Said

In 1924 a London official of the company expressed his opinion as follows: "In view . . . of the fact that the common stock owned by the Dominion government ranks behind all the fixed charges of the Canadian Northern Railway system, as also does the capital of the $45,000,000 4 per cent. debenture stock guaranteed by the Dominion government in 1914, and very substantial cash advances made by the government since that date, the possibility that the government would allow the company to default in any of its obligations is, in my opinion, a negligible one."

LOW GRADES AIM ON C.N.R. ROUYN BRANCHES TO MINES

Low Switching Charges Will Enable Shipping of Low Grade Ore

In their desire to eliminate grades, the Canadian National Railway operation in Rouyn will stick to the high ground in the north part of the camp and run one, perhaps two, spurs down into the low ground. However, the great bulk of the lines will be kept in the high ground and if the time comes for the running of a line to the Ontario boundary, it will be through Malartic in the high ground area and not to the south in the area where the T. and N. O. survey was run.

As one official of the railway stated, the reason for this, is that it will develop more tonnage. It will hold grades down to a minimum and make for cheaper switching charges. The result will be that companies will be able to ship low grade ore profitable, which higher charges, which would be the result if there were steep grades, would make prohibitive. Instead of handling 10 or 12 cars, it is expected that engines in Rouyn will be able to handle 30 cars at a time in the run to the smelter. Besides the southern area looks as if it may develop more into a gold than a copper area, and the copper area, which seems to be stronger to the north in the Duprat, Mountbray section, will develop a much larger tonnage than the gold.

Saskatchewan Grows in Industrv

According to final statistics the ten leading industries of Saskatchewan produced goods to the value of $26,048,000 in 1924—an increase of $3,279,921 over 1923.

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain, Com.	16	18½
Do., pref.	80	84
Brooks Motor 1 pref. & 1 com.	5½	6½
Do., 1 pref. & 2 com.	7	9
Can. Machinery, com.	4	7
Can. Westinghouse, com.	167	171
Farmers Dairy, com.	60	..
Dunlop Tire, pref.	84	90
Chase, A. W., com.	5	10
Do., pref.	80	90
Fanny Farmer, com.	26	28
Federal Alcohol & Dist.	7	8½
Goodyear Tire, com.	77	..
Do., 6% pref.	90	94
Gunns, Ltd., pref.	25	28
King Edward Hotel, Deb. A.	79	82
King Edward Hotel, Deb. B.	61	64
Loew's Buffalo, pref.	55	60
Loew's London, com.	4	5
Mount Royal Hotel, com.	5	7
Nat. Grocers, 1st pfd.	93	97
Nat. Grocers, com.	2	5
Williard's pref.	67	71
Canada Life	600	..
Capital Life 25% paid	21	25
Continental Life 20% paid	40	..
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	63	..
Great West Life	420	450
Monarch Life 10% Paid	28	31½
Mortgage Discount, pref.	7	7¾
Ontario Equitable	23	26
Re-Insurance	23	26
Security Life 40% Paid	28	31
Sun Life	490	..
Toronto Finance, pref.	2½	3½

THE TORONTO GENERAL TRUSTS CORPORATION

GROWTH

THE volume of assets under the care of this Corporation has grown during the past fifteen years as follows:

1910 - - - $41,601,297
1915 - - - $71,869,470
1920 - - $113,762,324
1925 - $152,791,520

These figures are evidence of the growing confidence of the public in this Corporation, and that its services as Executor, Trustee, Administrator, Financial Agent, &c., are being appreciated by an ever-widening circle of satisfied clients.

The Toronto General Trusts Corporation
Established 1882

W. G. WATSON, General Manager.
H. M. FORBES, Asst. General Manager

Toronto Ottawa Winnipeg Saskatoon Vancouver.

Loew's, London, Pays 25c

An initial dividend of 25 cents a share on the common stock, and the regular half-yearly dividend of 3½ per cent. on the preferred, have been declared by Loew's London Theatres, Limited, payable January 15 to shareholders of record December 31.

Current business with Loew's London is said to be running at a satisfactory rate, and the liquid position has shown a substantial improvement. During the year the balance of the mortgage indebtedness amounting to $28,000 was paid off.

U.S. Farmers Come

During September United States farmers came into Canada in large numbers, according to reports from the agencies of the Department of Immigration and Colonization. The Fargo Agency in North Dakota topped the list of the eighteen agencies in the States with a total of 675 persons sent to Canada—a gain of 300 over the same month last year. These settlers brought with them cash and effects valued at $726,095. The Syracuse, N.Y., agency reports more settlers having moved to Canada since April 1st this year, than in any year since 1915.

Complete Big Drydock

The new drydock just completed at Esquimalt, Victoria, is the second largest in the world and only 29 feet shorter than the Commonwealth dock at Boston. This giant dock, hewn out of solid rock, cost $6,000,000 and measures 1,150 feet long, 149 feet wide at the top and 125 at the bottom. Its depth is 49 feet 5 inches with 40 feet of water in the sills at high water. The dock will take the largest ship afloat.

Stock Market Record

WEEK ENDING NOVEMBER 9

	Div. Rate	Yield Nov. 8	High for wk.	Low for wk.	Close Nov. 9	Close Nov. 2	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.79	224	222	224	222½	104	226	214
Dominion	12+1	6.15	211	211	211	209	17	219	207
Can. Nationale	10	6.28	..	...	...	...	...	170	157
Imperial	12+1	6.37	204½	203	204½	205½	57	215½	200
Montreal	12+2	5.41	271	268	271	267	130	275	251½
Nova Scotia	16	5.54	290½	288	289	290½	31	300	281
Royal	12+2	5.57	251	250	250½	250½	159	255⅛	248
Standard	12	6.31	191	190	190	190	71	200	189½
Toronto	12	5.45	220⅛	220	220	221	66	222	213
Paper—									
Abitibi, com. (no par)	4	4.30	93¾	91¾	93	91½	5288	98	70¼
Do. pref.	7	6.19	..	...	...	...	...	116	106¾
Belgo-Can. pref.	7	6.86	102	101½	102	102⅜	159	102½	95¾
Brompton (no par)	.	...	36¾	35¼	36½	35½	1226	38½	26
Laurentide	6	5.50	110½	106	108	105½	6219	114¾	81½
Price Bros., com.	2	2.77	72	71	71	71	40	76¾	57
Do. pref.	6½	6.34	102½	102	102	102¼	628	102½	95
Prov. Paper, com.	6+1	6.42	111	111	111	109	25	114⅝	100
Do. pref.	7	6.66	106	106	106	105	10	106½	100
Smith, Howard, com.	.	...	64	57	63	58½	1060	64	38
Do. pref.	8	7.84	103	102	103	102	77	105	92¾
Span. River, com.	7	6.60	106	103	106	103	1530	111¾	96½
Do. pref.	7	6.07	115¼	115½	115¼	115¼	256	120	108
Wayagamack	.	...	109¼	107½	109¼	107⅞	830	109½	56
Steel and Steel Industries—									
B. E. Steel, com.	.	...	½	½	½	½	196	3½	¼
Do. 1st pref.	.	...	16½	15	15¾	15	560	30	9
Do. 2nd pref.	.	...	2¾	2½	2½	2½	515	10¾	1
Can. Car & Found., com.	.	...	..	...	...	...	...	49	33
Do. pref.	7	8.33	84	84	84	84	167	88	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
C.G.E., com. (par $50)	.	...	..	...	...	...	...	53	47
Do. pref. (par $50)	7	6.14	57	56	57	57	116	60	53½
Can. Locomotive, com.	.	...	40	40	40	40	5	42	35
Do. pref.	7	8.04	..	...	...	...	...	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	10	9
Do. pref.	.	...	..	...	...	...	...	42½	39
Can. Forgings, pref.	.	...	..	...	...	...	...	65	41½
Dominion Coal	.	...	60	55	60	53	88	60	40
Dominion Iron, pref.	.	...	..	...	...	...	...	24¾	5
Dominion Bridge	4	3.73	107½	106½	107½	107	190	112¼	80
Dom. Radiator, pref.	7	6.86	..	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	17	17	17	17	20	25	10⅝
Can. Forgings, com.	.	...	..	...	...	...	...	17	8
Ford Motor	10	...	..	...	...	...	...	622	500
McKin. Ind. c. (no par)	.	...	28½	28	28½	28½	95	31½	15
Do. pref.	7	7.17	97½	97	97½	97½	96	97½	87
Do. Voting Trust	.	...	28	28	28	27¾	100	30¾	26¾
Massey-Harris, com.	.	...	70	67½	69⅞	67½	944	73	40
Do. pref.	7	6.81	102¾	102¾	102¾	102¾	35	102¾	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	25
Ontario Steel, com.	4+1	6.57	75⅞	75	75¼	74	225	78½	60
Do. pref.	7	7.12	100	98¼	100	100	17	103	98
Russell Motor, com.	3	6.00	50	50	50	50	11	50	39
Do. pref.	7	7.54	93	92¾	92¾	92½	15	93	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	5
Steel of Canada, com.	7	6.39	110	109	110	108½	459	109½	95⅛
Do. pref.	7	5.76	121½	121	121¼	121½	64	123	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	22⅞	19	19	22	1870	26⅝	18
Do. pref.	7	8.04	87	87	87	86¼	10	92	86¼
Atlantic Sugar, com.	.	...	25⅞	25	25	25	948	32⅞	21½
Do. pref.	.	...	..	...	...	...	...	88	75
B.C. Fishing	5	6.17	81¼	76	80	75	4439	81¼	57¼
Can. Bread, c. (no par)	$2.50	2.81	88¾	88¾	88¾	88	25	95	53
Do. pref. (A)	7	6.39	109⅝	109½	109⅝	110	25	112	105
Do. pref. (B)	7	6.69	104¾	104⅜	104¾	104¾	90	107	96¼
Can. Canners, com.	.	...	12¾	12	12¾	12	10	15	12
Do. pref.	4	6.06	66¾	65½	66¾	65⅞	231	70	60
Canadian Salt	8	6.40	125	125	125	125	10	145	124
Christie Bis. c. (no par)	.	...	31	31	31	35	35	63½	31
Can. Bak., c. (no par)	.	...	35	33½	34	34	236	37¾	26½
Do. pref.	7	7.21	97⅛	97	97¼	97	21	97⅛	92
City Dairy, c. (par $25)	12	4.00	75	74½	74½	75	95	82½	65½
Do. pref.	7	6.25	112	112	112	110¾	20	112	107
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	5	3
Do. pref.	.	...	..	...	...	...	...	28	21
Dom. Stores (no par)	$2.40	4.00	63	59⅞	63	60	325	68	56
Wm. Davies (B)	.	...	10	10	10	11	5	12	10
Wm. Davies (A) (no par)	.	...	29	28½	29	28¾	40	37¼	27½
Inter. Milling, pref.	7	6.73	105	104	105	104	20	105¼	98½
Lake of Woods, com.	12	7.74	155	155	155	155	22	175	139
Do. pref.	7	6.08	115	115	115	116	15	118	115
Loblaw, com.	$1.00	2.22	..	...	...	...	...	55	29¾
Do. pref.	7	6.68	104¾	104¾	104¾	104¾	5	104¾	100½
Maple Leaf Mill, com.	.	...	70	70	70	70	180	88	50⅛
Do. pref.	7	7.07	99	99	99	97⅛	35	102	90
Ogilvie Flour, com.	5+5	2.52	199½	198	198½	199½	190	200	165½
Do. pref.	7	5.93	..	...	...	...	...	125	117
Pure Gold Mg. (no com)	50c	...	..	...	...	...	...	23½	17½
Shred Wheat (no par)	75c	5.17	57¾	54¼	56	54¼	2268	57⅞	47½
St. Law. Flour, com.	.	...	..	...	...	...	...	45	26
Do. pref.	7	8.59	..	...	...	...	...	84	80
Viau Biscuits, com.	.	...	..	...	...	...	...	28	18
Do. pref.	7	8.04	87	87	87	86½	20	89	85
Western Groc., c. (new)	.	....	34½	33	34½	33½	103	34½	24
Do. pref. (new)	7	8.80	79½	78	79½	79	77	80	62
Do. com. (old)	.	...	5¾	3¾	5	4½	137	13¼	3¾
Do. pref. (old)	.	...	..	...	...	...	...	64	49
West. Can. Flour, com.	35c	...	..	...	...	...	...	25	18
Do. pref.	6½	6.50	..	...	...	...	...	100	97⅜
General Utilities—									
Bell Telephone	8	5.79	138½	137⅜	138	137½	298	141	136
Consumers Gas	10	5.78	173	172½	173	173	65	183⅞	170
Inter. Util (A) (no par)	87½c	...	..	...	...	...	...	38½	30
Calgary Power	.	...	50⅞	50⅞	50⅞	51	50	52½	50⅞
Cedar Rapids	.	...	..	...	...	...	...	50	40
East Koot. Power	.	...	..	...	...	...	...	33	25
Jamaica Pub. Ser., pref.	7	7.21	97	96½	97	97	57	99¼	96
Laurentide Power	5	4.16	120	120	120	120	35	130	100
Mackay, com.	7	5.53	126½	123½	126	124	458	138½	121¼
Do. pref.	4	5.71	71	69½	70	69½	414	73½	68¾
Mexican Light, com.	.	...	33	33	33	33	50	33	29
Do. pref.	.	...	80½	78	78	82	130	86	64
Mont. L. H. & Pr., com.	$2	2.74	74¼	72½	72¾	72¾	3491	75	59
Do. pref.	.	...	..	...	...	...	...	50½	48½
Montreal Teleg. (par $40)	8	6.66	..	...	...	...	...	51½	47
Ottawa L. H. & Po., com.	6	6.25	98	95½	95½	96	14	100	92
Do. pref.	6½	6.31	103	103	103	103½	45	105½	100
Quebec Power, com.	6	3.48	177	163	171	166	2767	177	113
Do. pref.	7	4.07	175	161	170	130	3098	175	109½
Shawinigan	8	2.99	270	257	265	258½	5204	270	167½
Do. Rights	.	...	..	...	...	...	...	10¼	6½
South. Can. Power, com.	2	2.19	91	89¼	90	89¼	35	98	81
Do. pref.	6	5.94	101½	100	101¼	101	34	104½	99
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	30¾	25
Transportation—									
Can. Pacific Rly.	10	6.05	165¼	163½	165	164	159	169	147
Can. Steamships, com.	.	...	31¾	30	30	31¼	429	32	11
Do. pref.	.	...	94¾	93¼	94	93½	2259	94¾	56
Do. Voting	.	...	30	30	30	30	100	30½	11
Tractions—									
Barcelona (par $50)	.	...	37	37	37	37	15	40½	26
Brazilian, com.	5	4.58	109¼	106½	106¾	104	13516	123½	80
Do. pref.	6	5.88	102	102	102	104	86	108	97½
Detroit Un. Rly.	.	...	..	...	...	...	...	3½	1½
Duluth-Superior	.	...	27	27	27	27	84	33¼	25
Illinois Traction, pref.	6	...	..	...	...	...	...	100½	96¼
Montreal Trams	10	5.88	170	170	170	169	199	190	159
Ottawa Traction	4+1	6.87	72¾	72½	72½	73	8	74½	60
Porto Rico Rlys., com.	.	...	44	43½	44	44	900	47	40
Do. pref.	7	7.86	90	88	90	89	148	91	85½
Twin City, com.	5	8.26	63	59¾	60¾	63	1066	79½	58
Do. pref.	7	6.86	..	...	...	...	...	103	102
Winnipeg Elec., com.	1	...	59¾	58¾	59⅝	58¾	1322	60	45¼
Do. pref.	7	6.94	102	100¾	102	101	64	103	95
Montreal Tram. Rights	.	...	11	9	9	11	475	12½	9
Textiles—									
Can. Conn. Cotton, pref.	.	...	..	...	...	...	...	49	35
Can. Converters	7	7.36	95	93½	95	95	155	95	90
Can. Cotton, com.	8	7.08	..	...	...	...	...	124	113
Do. pref.	6	6.31	95	95	95	95	32	99½	92½
Cosmos Imp., com.	.	...	16	16	16	...	25	16	16
Do. pref.	.	...	92¾	92¾	92¾	...	10	92¾	92¾
Can. Woollens, com.	.	...	..	...	...	...	...	8	4
Do. pref.	.	...	56	50	56	50	24	56	45
Dom. Textile, com.	5	5.26	95½	94½	95	94½	324	99⅛	89
Do. pref.	7	5.83	120	119	120	118	12	122	115
Monarch Knitting, pref.	.	...	..	...	...	...	...	50	30
Montreal Cottons, com.	6	5.45	110	110	110	112	70	115½	102
Do. pref.	7	6.11	114½	114½	114½	114½	2	115½	110
Penmans, com.	8	4.45	182	179½	179½	184	120	191	173
Do. pref.	6	5.88	..	...	...	...	...	104½	101½
Wabasso Cotton	4	4.70	85	83	85	83	345	85	60
General Industrials—									
Amer. Sales, c. (par $20)	4	6.34	65	63	65	65	36	70	54
Do. pref.	7	7.33	95½	95	95½	96	25	98	92
Asbestos Corp., com.	.	...	25	24	24	23	2428	25⅜	16½
Do. pref.	7	8.53	82	81	82	82	2376	83	62
Burt, F. N., com.	12	5.55	54¾	54	54½	54	105	67½	50
Do. pref.	7	8.33	..	...	...	...	...	210⅛	210⅛
Building Products, pref.	7	7.56	92½	92	92½	92½	12	93	83
Brant Cord. pf. (par $25)	8	8.00	25	24⅞	24⅞	25	115	27½	24½
Canada Cement, com.	6	5.45	112	108	112	109¼	457	112	98
Do. pref.	7	6.00	116½	116	116	116	153	120	113
Dom. Rubber. pref.	7	...	..	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	$1.28	5.33	24	23¾	23¾	23⅝	3391	25	16¼
Crow's Nest Coal	6	9.16	..	...	...	...	...	85	51
Dom. Glass, com.	7	8.04	87½	85	87½	86	232	105	81
Do. pref.	7	6.73	104	103½	103½	104	29	111	103
East Theat. c. (par $25)	.	...	..	...	...	...	...	30	18¾
Do. pref.	7	...	..	...	...	...	...	94	83
Famous Players, com.	.	...	18	17½	18	17½	8	21	11
Do. pref.	8	8.60	93	92¼	93	92½	100	94½	88
Gilman, com.	6	4.95	121	121	121	126	31	127½	104½
Do. pref.	7	5.34	..	...	...	...	...	131	113½
Goodyear Tire, pref.	7+3½	7.25	96½	95½	95⅞	96½	191	99¼	85
Holt Renfrew, pref.	7	...	..	...	...	...	...	90	84½
King Ed. Hotel	.	...	..	...	...	...	...	41	25
Kelvinator, com. (no par)	.	...	15½	15½	15½	15½	70	20¼	14
Do. pref.	7	7.71	93½	90¾	90¾	93	27	95¾	88
Lyall Construction	.	...	35	35	35	37	10	48	20
Nat. Brew. c. (par $25)	4	5.97	67½	66½	66¾	67	2885	72	56
Do. pref.	7	6.66	104⅞	104	104½	102	115	116	101¾
National Brick, com.	.	...	..	...	...	...	...	12½	8
Do. pref.	7	...	..	...	...	...	...	72	60
Pacific Burt, com.	6	6.48	92½	92	92	93	40	110	90
Do. pref.	7	6.60	..	...	...	...	...	110	102
Page Hersey, com.	75c	5.66	54⅞	49¾	53¾	49¾	2881	54⅞	43
Do. pref.	$1.75	6.15	115	111½	115	111⅞	482	115	100½
Port Hope Sanitary, com.	3	2.72	110	103	105	105	225	110	74½
Do. pref.	7	6.73	104	104	104	102	5	105	99
Rogers, Wm., com.	.	...	62	62	62	60	26	67	45
Do. pref.	7	7.52	93	93	93	94	20	97	90
Sher.-Williams, com.	6	4.38	140	136½	140	138	335	148	125
Do. pref.	7	5.88	120½	119	120	119⅛	195	120½	110½
Sterling Coal	.	...	..	...	...	...	...	43	37
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	65	65	65	65	50	65	56
Tuckett Tobacco, com.	4	6.25	..	...	...	...	...	65	58
Do. pref.	7	6.79	103	103	103	101	20	105	100
Loew's, com.	.	...	..	...	...	...	...	40	36
Do. pref.	.	...	..	...	...	...	...	93½	90
Woods Mfg., com.	.	...	..	...	...	...	...	48	38
Do. pref.	7	8.21	85¼	83½	83¾	83¾	30	90	77¾
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.97	..	...	...	...	...	100	90
Can. Permanent	12	5.72	210	209½	209½	209⅛	33	211	202¼
Colonial Invest.	6	...	..	...	...	...	...	7	4
Hamilton Prov.	10	...	..	...	...	...	...	157	157
Huron & Erie	7+½	5.55	..	...	...	...	...	135	127½
Landed Banking	9	5.66	..	...	...	...	...	159	150
Mont. Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	4.97	241	241	241	241	13	245	232½
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	7.73	..	...	...	...	...	90½	88
Toronto Gen. Trusts	12	5.40	222	222	222	225	10	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	6.66	105	105	105	104	50	105	98
THE CURB MARKET									
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	40	35¾	38½	35½	3136	43¾	7
Beacon Oil	.	...	17	17	17	17	20	19½	14¼
Belding, pref.	7	...	..	...	...	...	...	101	75
Brit. Amer. Oil (par $25)	10	3.87	65	60	64½	60⅛	5789	65	47
Can. Nor. Pr., pref.	7	7.31	95¾	95½	95¾	94½	55	95¾	89¼
Can. Oil, com.	5	...	..	...	...	...	...	91	65
Do. pref.	8	7.11	112½	112½	112½	112¾	5	114	109
Cockshutt, pref.	.	...	69	68	68	69	35	73	57¼
Continental Oil	$1.00	...	..	...	...	...	...	26	17⅞
Dom. Eng.	.	...	..	...	...	...	...	120	65
Dryden Power (no par)	.	...	12	10¾	12	10¼	1078	12	5½
East Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	17	17	17	16⅝	4	24½	15
Do. pref.	.	...	74	74	74	73¼	10	75	59½
Good. & Worts	$1.00	2.94	34⅜	33	34	34	1600	36½	27½
Illinois Power, pref.	7	7.07	99	99	99	99½	5	99¾	96
Imperial Oil	$1.00	2.63	39⅝	36½	39	36⅝	13275	39⅝	32½
Inter. Petroleum	75c	2.42	32⅝	30⅞	32⅛	31⅝	1445	35½	29¼
Manitoba Power	.	...	42½	41¾	42	41½	250	43	24
Newsprint Co.	.	...	..	...	...	...	...	27	18
North St. Oil, c. (par $5)	.	...	..	...	...	...	...	125	75
Do. pref.	7	...	471	471	471	476	200	490	450
Nor. Mex. Pr., com.	.	...	45	43½	45	45	82	55	40
Do. pref.	7	8.43	83	83	83	82	100	85	80
N.S. Car, com.	.	...	..	...	...	...	...	15	7½
McColl Oil, com.	.	...	22½	21¼	22½	21	89	24⅜	18⅞
Do. pref.	.	...	99	98½	99	98¾	141	99½	95
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	99	75
Power Corp. (no par)	.	...	24	24	24	24	175	28¼	22
Pressed Metals	.	...	..	...	...	...	...	40	30
St. Law. Pr. (no par)	.	...	60½	51¾	59	51½	3188	60½	35
Do. pref.	8	7.37	109	107½	109	106½	100	109	103¾
St. Maurice Valley	.	...	62	60	62	62	357	65	40
St. Maurice Pr.	.	...	101	97	99	95	160	101	72½
Simpson, Robt., pref.	6	5.95	100¾	100¾	100¾	101¼	2	102	99
Toronto R. S.	.	...	..	...	...	...	...	195	110
Un. Secs., com.	.	...	..	...	...	...	...	65	50
Do. pref.	6	5.75	104½	104	104¼	104	48	105	102
Volcanic Oil	63c	...	31½	31½	31½	31	202	31⅞	26
Brewers & Distillers	.	...	4½	4½	4½	4½	445	5	4¼
Cosgrave Brew.	5	...	6⅛	5⅝	6	6	1935	6½	5⅝
Fraser, pref.	7	...	..	...	...	...	...	94½	94½
Mount Royal, pref.	.	...	..	...	...	...	...	42¼	42¼
Can. Nor. Power, com.	.	...	35	35	35	31½	16	35	28
Dom. Power, pref.	7	6.91	101¼	101¼	101¼	...	5	101¼	101¼

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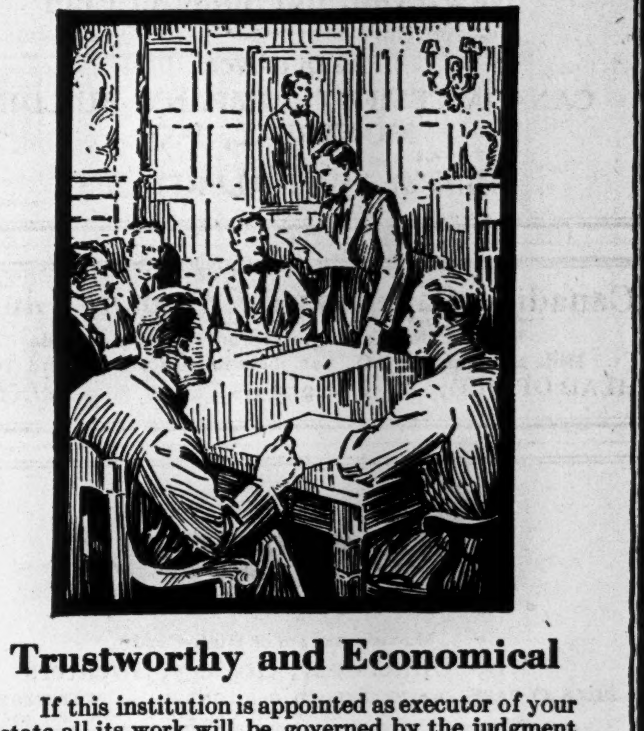

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Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

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Manufacturers of
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Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

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Misconceptions on Coast Results Cleared Up by Expert

Investment interest in the British Columbia salmon fishing industry has run exceedingly strong in Eastern Canada this year. Two securities, British Columbia Fishing and Packing and Gosse Packing, have figured in the keen demand for securities of the B.C. coast fishing and packing firms.

All sorts of stories on the status of the salmon fishing on the western coast have trickled through to the east, many of them accurate and many more interesting than accurate. Now, however, the true story of the 1926 salmon season is available. It was told the other day in Victoria by John P. Babcock, deputy commissioner of fisheries of British Columbia, who delivered a public address on the subject. Some of the facts he brought out were as follows:

> "1. Contrary to the impression generally prevalent, the sockeye salmon catch of this year is not the largest in history, but, on the contrary, is smaller than the 1925 catch and far below the average for the last ten years.
>
> "2. Seventy per cent. of the entire catch consisted of low-grade salmon, which brought the total pack up to a record figure while its value was far below the record.
>
> "3. Canada this year took 69 per cent. of the total catch packed in British Columbia and the United States, as compared with the usual pack of 70 per cent. of the whole by Americans.
>
> "4. Breaking the traditions of the past, the salmon appear to have reached Canadian waters without travelling through United States waters and thus exposing themselves to American fishermen.
>
> "5. More salmon escaped the fishermen of both Canada and the United States and reached the upper Fraser spawning grounds this year than at any time since the record-breaking season of 1913."

Wants Salmon Treaty

With these announcements, which cleared up many false ideas clustering around the current Fraser run, Mr. Babcock coupled a strong plea for the adoption of a treaty between Canada and the United States to restore the salmon and thus complete the greatest reclamation project which America could undertake—a project worth $33,000,000 a year.

"It is a fact," the provincial fish expert said, "that the total pack on the Fraser this year is the largest on record. Up to October 9 it totalled 1,794,000 cases, of which 1,257,826 cases, or 70 per cent., consisted of pink and chum salmon and but 16 per cent. of sockeye. The volume of the pack is the greatest; the value of the whole is far below that of the record, because 70 per cent. is of the cheaper grades.

"Up to 1916 the combined pink and chum pack never exceeded 500,000 cases. Up to 1909 chum salmon were not packed. Up to 1910 the sockeye pack of the province averaged close to 70 per cent. of the total. The value of the pack is the factor that counts. The value depends upon the species. The pink and chum grades this year sell from $4.50 to $5.50 per case. Sockeye sells for $17 per case.

"The statement that the run of sockeye to the Fraser system this year is the greatest in years is incorrect, my critics to the contrary, notwithstanding. The catch of sockeye in the Fraser this year is 27,000 cases less than last year.

Catch Less Than Last Year

"The catch this year is 31,000 cases less than the average for the last ten years.

"The outstanding feature of this year's run of sockeye to the Fraser is not its size. It is the fact that the catch in provincial waters of the system is the greatest in years, and for the first time in many years is much greater than the American pack. The catch in our own waters this year produced 69 per cent. of the total. The Americans who have for many years packed as high as 70 per cent. of the pack this year dropped to 24 per cent.

"The run this year is also notable for the fact that the bulk of it came in after the middle of September and ran as late as October 16. The peak week of the pack ended on October 2. This late run does not appear to have come in from the sea through American waters. The Americans caught very few fish in that run. Their catch was made from the July and August run.

"Another and most promising feature of this late run is the fact that the escapement appears to have been much greater than in any year since 1913. Between 200,000 and 300,000 sockeye reached and spawned in the Shuswap Lake district in October—a far greater number than has spawned there since 1913."

Pleads for Protection

Pleading for the adoption of protective measures to rebuild the Fraser Fisheries, Mr. Babcock added:

"The United States government up to 1918 had expended $125,000,000 on capital account to reclaim 1,100,000 acres of arid lands. The 100,000 persons that lived on the 25,000 farms of that area in 1917 produced crops worth $50,000,000. The lake waters of the Fraser River basin cover an area of 1,514,000 acres which, when seeded by spawning sockeye as abundantly as they were seeded in 1897, 1901, 1905 and 1909, will produce annually a run of sockeye from which may be taken fish to fill 1,927,602 cases, worth at present market value $33.969,000.

"The 1,514,000 acres of spawning area of the Fraser basin are now, and have been since 1913, almost as non-productive as were the arid lands reclaimed by the United States before it had spend $125.000,000 to bring them into bearing.

"The spawning area of the Fraser requires no expenditure to bring it into bearing. The fish will do all the work necessary to produce a crop worth $33,000,000 a year, provided the governments of Canada and the United States will afford them safe passage through the fishing grounds. The restoration of the sockeye salmon fisheries of the Fraser River system is the greatest reclamation project in which Canada and the United States can jointly engage, and that, too, with the least expense and the most certain results. This great accomplishment can not be achieved without a treaty."

Pulp and Paper

PROVINCIAL PAPER WITH 5¼% RETURN DISCOUNTS FUTURE

Excellent Prospects for the Company Reflected in Strong Market

After selling as high as 114⅝ on September 14, Provincial Paper common has more recently been selling a little lower. The only transactions of late have been at 110 and 109, and they have been small. In October only 215 shares were traded in. The stock is not widely distributed, but the high regard in which it is held is evidenced by its price, truly a remarkable one, for a stock paying but 6 per cent. dividend.

Obviously the stock is discounting future possibilities. Present earnings are such that a higher dividend could be paid without seriously impairing the company's financial position, but this increased dividend is likely to be deferred until the company has paid for the extensive additions it is now completing, including a new paper machine at Port Arthur, to be ready by the end of the year, and to be paid for without the issuance of further bonds.

Earnings Well Over Dividend Rate

Earnings last year were at the rate of 13.35 per cent., on the common. When the new machine is running, earnings should be considerably increased. It would not surprise followers of the stock if earnings in 1927 are $1,250,000 net, as opposed to $1,060,000 in 1925, and this would leave about 20 to 25 per cent. on the common stock. With so little ahead of the common, every increase in profits adds directly to the amount available for distribution. And as extensive additions to profit-making plant are being made without increasing bond interest or other fixed charges, prospects for the common fully justifying the present price and more are excellent.

On a yield basis the stock is selling out of line with the majority of common stocks of its class, returning the investor not much over 5¼ per cent. The preferred, which pays 7 per cent. per annum, is quoted lower, around 105. The preferred is callable at any time at 107. Provincial Paper is regarded as one of the most conservative companies of the paper group. A moderate dividend policy has been followed for years, and the company has steadily built up the equities behind the stocks. Added to this earnings have shown steady improvement, net for 1925 being at the rate of 13.35 per cent. on common as compared with 9.11 per cent. in the preceding year. It is said that earnings this year are running on approximately the same basis as in 1925. The common has been on a regular dividend basis for some years, and pays a bonus of one per cent. from time to time.

The strength of the stock is primarily a sympathetic movement, reflecting the strength of the paper group as a whole, and is in part too the markets acknowledgment of the strong position of the company, and the favorable prospects of the stock over a period of time. The company is engaged in the manufacture of book, writing, bond and coated paper. and is finding market conditions entirely satisfactory. The company's five plants are working at capacity. A newsprint mill, with a daily capacity of 65 to 70 tons is under construction at Port Arthur, and will be ready for service at the commencement of the year.

The balance sheet for 1925 showed net working capital of $1,580,108 as against $1,471,320 for the preceding year. The net assets applicable to the common stock amounted to $4,436,220, or $126.75 per share of $100 par value. The funded debt comprises $1,387,000 20-year 6 per cent. bonds, due 1940. Capital stock outstanding includes $1,700,000 preferred, and $3,500,000 common. There is no suggestion of any dividend change immediately in sight.

Manitoba Paper Co. Work is Being Pushed

From Our Own Correspondent.

MONTREAL. — Work is proceeding apace on the new mill of the Manitoba Paper Company, and actual operations may begin before the close of this month. The construction work is being rushed to completion, and two regular trains each week are bringing in the machinery, which is being installed as it arrives. About 45 houses for the use of employees have been erected on the new town site adjacent to the mill, and about as many more are to be erected before the close of the year. In addition to these houses, there are two large staff houses for the use of the office staff, the contractors, and the officers. Streets are being graded, and water mains and sewers have been laid.

Sulphate Exports Up, But Sulphite Drops

From Our Own Correspondent

MONTREAL.—Judging from the export figures of sulphite pulp during the month of September, there appears to be some weakness in the market for this commodity. During the month, the total exports showed a decided falling off as compared with September of last year, and for the twelve months' period ending September, the total exports of sulphite showed but a fractional increase. However, monthly figures of exports from this country provide no true index of the demand, which is understood to be little changed.

On the other hand, exports of sulphate pulp have been well maintained and for the twelve months ending September there is a decided increase over the preceding twelve months' period.

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International Paper Has Further Bonds to Issue

International Paper Company which has this year been a heavier borrower, is expected to have much financing to do in 1927.

In prosecution of its program for developing Canadian water powers and expanding its newsprint manufacturing facilities, International Paper Co. in 1926 has financed on a huge scale. New capital brought into the company, both for its own account and for that of wholly owned subsidiaries, so far this year totals $62,500,000.

The beginning of a distinct cleavage between water power and paper operations is seen in the fact that the world's largest paper company is financing power developments through separate subsidiaries and will continue to do so. Of the current year's total financing of $62,500,000, the parent company borrowed only $25,000,000, while the Gatineau Power Co. took $37,500,000.

While International Paper Co.'s funded debt is thus brought up to approximately $70,000,000 from about $45,000,000, its own financing represents no further lien on properties. The only financing by the paper company was affected through a debenture issue, convertible into seven per cent. preferred stock.

The Gatineau Issues

The Gatineau Power financing, which bears no guarantee by International Paper, was done against the completion of three large hydro-electric developments on the Gatineau River, initial installed capacity of which will aggregate 373,500 horsepower. First mortgage five per cent. bonds total $37,500,000, of which $25,000,000 were sold to the public, and $12,500,000 have with a large cash deposit been put in escrow to provide funds to cover the cost of completing the initial capacity. Most of the power to be developed, not required for the company's new Gatineau newsprint mill, has already been disposed of to the Hydro-Electric Commission of Ontario. Deliveries under this contract begin with 80,000 horsepower on October 1, 1928, and by annual steps reach on October 1, 1931, a total of 260,000 horsepower, at which amount the contract continues to 1958. After October 1, 1931, the income from this contract alone is estimated to be sufficient after paying all operating expenses to provide for the interest on entire $50,000,000 of bonds and leave a considerable balance. At the same time as the $25,000,000 first mortgage bonds were sold to the public, an issue of $12,500,000 six per cent. debentures was also floated.

More Money For Power

Further financing may be expected from International Paper Co. and water power subsidiary companies next year. St. John River Power Co., all the stock of which is owned by International Paper Co., has been formed and has begun construction of a 60,000 horsepower hydro-electric development at Grand Falls, New Brunswick. An issue of bonds to cover cost of this development will probably be made next year, although not on so large a scale as the Gatineau development.

The $25,000,000 debenture issue will defray some of the expense of the newsprint development program, including the doubling of the Three Rivers mill to a capacity of 700 tons a day and the erection of a 600-ton mill at Gatineau. Kipawa sulphite mill has been enlarged, and further extension is planned as demand for its product, a specialty pulp for rayon manufacture, may require. The kraft mill at Bastrop, La., has been enlarged and substantial improvement to other American mills is planned. The company has since last October acquired various additional timber limits, principally Canadian crown land leases, carrying well in excess of 10,000,000 cords of pulpwood. These holdings constitute reserves for the company's Three Rivers, Gatineau, Kipawa and Bastrop mills, as well as for the new mill planned for New Brunswick.

Reimbursing Treasury

But total present construction, not to mention developments planned for the future, is not entirely covered by the recently acquired $25,000,000 new capital. It is entirely possible that recourse may be had next year to some sort of stock financing. While all financing this year has been done with senior securities, general setup of the capitalization points to further stock issues. Authorized seven per cent. preferred at the beginning of the year totaled $75,000,000, of which only about $29,000,000 is outstanding. At a recent meeting of stockholders, an additional $25,000,000 of seven per cent. preferred was authorized to take care of the convertible feature of the new debentures, which permits the exchange of the stock for the debentures par for par.

Holders of debentures who convert within two years also have the privilege of subscribing to one share of common at $50 a share for each $1,000 debenture. This stock, the company stated, could be taken care of out of the then outstanding issue of 500,000 shares. But it will be noticed that stockholders also approved the increase in authorized common to 1,000,000 no-par shares from 750,000 no-par shares.

Hence International Paper Co. has plenty of leeway for future financing with stock. Authorized but unissued seven per cent. preferred totals about $45,000,000, while unissued common shares aggregate 500,000. It is believed that, in order to even up the capital structure, the next financing will be done with common stock.

Better Earnings Likely

Maintenance of the price of $65 a ton for newsprint throughout 1927 points to continued improvement in earnings. The company, which earned only $1.14 a share on its 500,000 no-par common shares in 1925, definitely turned the corner last spring. Earnings for this year are expected to be in the neighborhood of $1.50 to $2 a share. First half year's earnings just covered dividends paid for that period, but eight months' operations showed profits considerably above last year.

During 1927 the company will have the benefit of the operation of all eight machines at Three Rivers throughout the year, and as the new machines are gradually tuned in to better performance a normal lowering of costs at this mill may be expected from the average for 1926. The Gatineau mill should begin operation in April, 1927, and by August all four machines should be operating. The wood supply of this mill should be even cheaper than that of the Three Rivers mill, and it should accordingly contribute substantially to the company's income from the beginning, even though full benefit from its operation will not be derived until 1928.

During 1927 also the company should derive returns, or increased returns, from other investments and expenditures. The stock of the New England Power Association, of which International Paper owns 116,970 shares, has been placed on a dividend basis. The doubling of the kraft mill at Bastrop is near completion. Expenditures on the older mills of the company in the United States should begin to contribute to the company's profits soon.

RHODESIAN ASBESTOS ADMITS INVITATION

Asked to Join in Union of Sales Interests But is Wary

From Our Own Correspondent.

MONTREAL.—The chairman of the Rhodesian and General Asbestos Corporation has issued a statement which will be of interest to the shareholders of the Asbestos Corporation, especially in view of the fact that the president of the latter company was in Europe this summer and, at that time, it was rumored that the Asbestos Corporation was endeavoring to reach an agreement regarding prices with the Rhodesian producers.

The statement of Edmund Davis, chairman of the Rhodesian company, follows:

"We have been approached, and I have had several interviews with persons interested in other producing concerns, and, though we are at all times willing and anxious to arrive at some arrangement which might prevent the cutting of prices among producers, and in this way improve the position of manufacturers, we will not, in order to obtain this much desired end, agree to any arrangement which would not leave our corporation in the predominating position it deserves and has acquired in the trade. I think our views are clearly expressed in the following extract from a letter I wrote some time back to the representative of the group I refer to:

"'We would not be a party to giving absolute control of our sales to any group in the United States or elsewhere, and we would not leave the fixing of prices at which our output should be sold to any third party. I am sure you will readily understand the position we have to take up in this matter in view of the necessity of our having to protect the whole of our customers.'"

The foregoing probably does not refer to any negotiations which may, or may not, have been opened by the Asbestos Corporation, for at the moment Dr. Mattison, of the Keasbey and Mattison Company, is in Europe. The latter company is a large producer of Asbestos in the Quebec fields and manufactures the finished products at its U. S. plants.

As Mr. Davis refers specifically to the United States in his declaration, perhaps it is possible to infer that negotiations of the Keasbey and Mattison interests have been turned down.

Naturally, Kingston Was Pleased

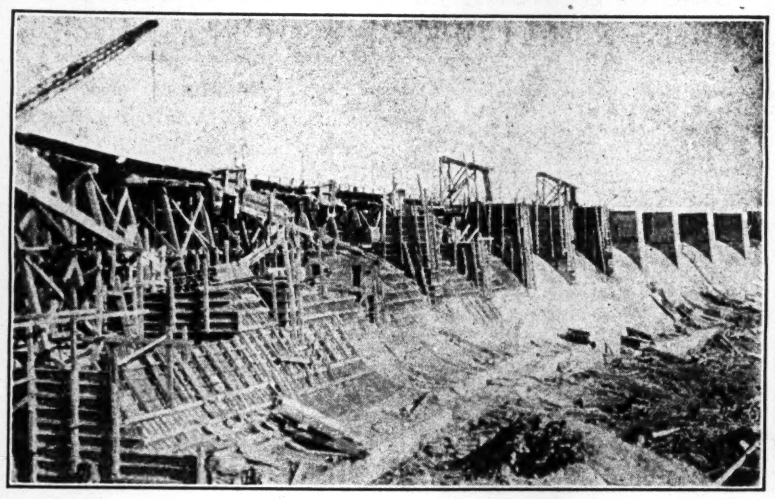
Kingston, Logical Terminal

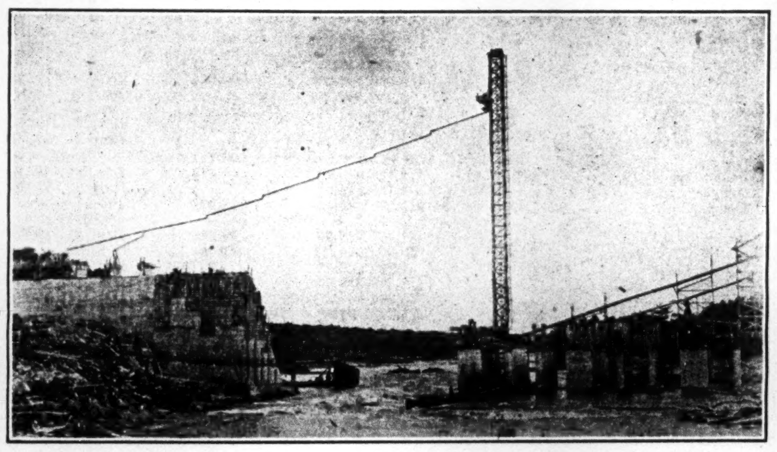
Kingston Standard.—That was a most important statement contained in our Saturday's issue taken from The Financial Post, giving its Buffalo correspondent's account of leading men there believing that Kingston is the logical terminal when the Welland Canal is completed. Evidently from this report these men have most carefully considered every aspect of the question, and have only come to this conclusion after most serious consideration. The points in the report in favor of Kingston cannot be got over; they are too logical, they are too businesslike, and too full of plain common sense. It will be of the highest importance that these views should be impressed upon the Dominion government.

Kingston the Logical Point

Kingston Whig.—The Buffalo, N. Y., shipping authority, who writes in The Financial Post regarding the new Welland Canal and points out that Kingston is the logical port for the eastern lake terminal, and not Prescott, is in accord with the large marine interests of both Canada and the United States, which are vitally interested. All the big shipping companies emphasize the tremendous danger it would be to send big vessels down the present St. Lawrence channel through the Thousand Islands to Prescott. They would refuse to do so, and the Canadian Steamship Lines, Ltd., for one, would build its own elevator at Kingston rather than put its vessels through the risky channel to the east of us. There is no argument whatever in favor of Prescott as the eastern terminal. The fact that it is sixty miles nearer Montreal doees not matter, because for the 600-foot heavily-laden grain vessels from Fort William to reach it, they would have to take tremendous risks in navigating a channel that is dangerous enough for boats half their size. That Kingston will be chosen by the Dominion government as the terminal is a foregone conclusion, for the marine interests will demand the location here of the federal elevators that will be required to handle the immense quantities of grain that will be unloaded at the foot of the lakes and then reloaded into river barges, which will carry it to Montreal for Great Britain and Europe.

International's New Power Development





Two views of construction work at new Gatineau River Power Development of International Paper Company. Upper shows Farmer's development and lower, the Chelsea development, which together will have a capacity of 290,000 h.p.

—Courtesy of Power House.

BESCO OCTOBER COAL OUTPUT THE BEST IN TEN YEARS

The coal output of the British Empire Steel Corp., Nova Scotia, is reported for October as having been the best in the past ten years for any one month.

Canadian Locomotive Busy

Final deliveries are now being made by Canadian Locomotive Company Limited, of the order for 50 locomotives which it received from the Canadian Pacific Railway a year or so ago. The work on these large-type engines has been going forward steadily throughout the summer months. Already 48 of these have been delivered, and the remaining two will be placed in service within a very short time. This, together with the special mining machinery end of the company's business, has given the plants a fair volume of business up to the present time.

The outlook for the company has improved in the last little while. The order for aluminum "pots" for the Aluminum Co. of Canada, at Arvida, has already been gotten under way, and this business will continue for a long time to come. The mining machinery division has been developing satisfactorily, while the promise is that further locomotive orders will be received both from the Canadian Pacific Railways, either late this year or early next.

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Now Argued Building Loan Associations Would Advance Canadian Thrift

12,000 of Such Institutions in the United States Said to Have Prospered in Recent Years With Very Few Failures

By J. GEORGE JOHNSTON.

THERE are 11,854 building and loan associations in the United States with assets of $4,660,000,000.

Eight of the nine provinces of Canada have legislation which prevents the operation of building and loan associations, and in the ninth province, British Columbia, recent movements indicate the need for legislation which will give the provincial attorney-general authority over these associations for the safeguarding of legitimate investment and the protection of the public.

A building and loan association has been defined as "a mutual co-operative financial institution usually operating under articles of incorporation issued by the state, and composed of members who have thus associated themselves together for their mutual benefit and financial advantage." It is now contended by real estate men in Canada that any such association honestly and efficiently operated should not be so restricted by law that its operation is virtually impossible, as in the most of Canada.

Begin in Scotland

Legislation generally has been rather favorable than otherwise to the building and loan association, even since the first mutual club began operation in Kirkcudbright, Scotland, in 1815. In 1836, the parliament of William IV passed legislation designed to encourage and protect the building societies. In 1845, the first such society was formed in Canada, in Montreal, and the next year found its way as far west as Toronto.

There was a great need for some institution to promote the building of homes, if not to aid individuals to save. Toronto was doubling its population every ten years and other centres in the Western province were also prospering. But there was such a serious shortage of coin of the realm that a number of merchants in the community issued metal tokens which were freely used as currency by the people. There was plenty of real estate, and it was cheap. There was plenty of timber, and it was also cheap. But it remained for the early building and loan associations to provide the wherewithal for the actual building of homes.

All of the early building and loan associations were of the type which later became known as the terminating kind. This meant that as every member's share became paid up and his dividends, or interest, satisfied, the association was wound up. Most members in these early associations ventured in with the purpose of thereby borrowing sufficient to build a home. Shares usually were valued at $400 each. Two thousand members paying $2 the month made $4,000 monthly available for auction in five equal amounts to the highest bidder, or to be drawn to the members holding the lucky numbers, if the drawings were by lot. A mortgage was given as security for each loan.

Canadian Mortgage Companies

The smooth operation of these societies depend entirely on the ability and good intentions of officers and more influential members. A few of them were wound up in the manner intended by their founders, and a few of them were wound up by the sheriff of the county. But, generally, it is believed that the early societies, watched closely by their members and founded on a spirit of real co-operation, helped the early cities of the country in the days when civic growing pains were acute.

Out of the terminating, so-called, building and loan societies grew the "permanent" mortgage and loan associations, of which there are a score or more in Canada. But the mortgage corporations, while some of them receive savings and pay a higher rate of interest therefor than the savings departments of chartered banks, differ essentially from the building and loan societies thriving in the United States.

Many Early Failures

The reason that eight provinces of Canada have enacted laws which virtually prevent the formation of mutual building societies is that there were numerous disastrous failures of these institutions a generation and more ago. The reasons for failure were the usual stories of incompetent management and unsound policies, coupled occasionally with dishonesty on the part of the promoters.

Real estate men long have been contending that provincial legislation should encourage the operation of mutual savings societies for the development of home-owning. The question which law-makers eventually may have to decide is whether existing laws in eight provinces are not too severe and whether statute can be evolved which at once will encourage these institutions and yet give them the requisite stability from the viewpoint of investors and prospective home owners.

Advocates of building societies say that the question as to whether or not building and loan associations can be operated with safety may be determined with some accuracy from the reports of the comptroller of the currency of the United States where, as stated above, there are nearly 12,000 of these institutions with assets of more than $4,660,000,000. The official statement is that there were five failures of such societies in the fiscal year ended on June 30, 1923. The total liabilities of the defunct institutions were about $250,000. This makes the percentage of failure approximately one-twentieth of 1 per cent., and the losses are shown to have been about seven thousandths of 1 per cent.

U.S. Losses Slight

Going back to the earliest record of building association statistics in the United States, these interesting statements were made:

14 states reported a total of 87 failures.

17 states reported no building and loan failures.

1 state reported none for fifteen years.

1 state reported none since department was created in 1919.

1 state reported none in 25 years.

1 state reported none since 1899.

1 state reported none since department was created in 1909.

1 state reported none for more than 15 years.

1 state reported none for twenty years.

8 states reported no record and two states did not report. The District of Columbia has experienced no such failures since July 1, 1913.

Compared to national and state banks and other institutions doing more nearly a general banking business, the building and loan associations in the United States have a good record for safety, it is contended. In the year ended on June 30, 1923, when five savings and loan associations failed, the comptroller of the currency reports that 202 state (commercial) banks went to the wall, along with seventeen savings banks, seven loan and trust companies and eleven private banks. In the same period there were failures of 37 national banks. The combined liabilities of these institutions were $84,626,000, as compared with the $250,000 of liabilities of the building societies which failed.

Case of Pennsylvania

The degree of safety prevailing in most of the states to the south, so far as building and loan associations are concerned, is encouraging to those interests in eight provinces where there is claimed to be a need for such institutions. However, it may not be wise simply to embrace the legislation of any one state and assert confidently that it will fit the investing needs of Canadians or enable them to realize their dreams of home-owning. It is noted with some slight misgiving that the building and loan associations in the United States have grown by more than 1,800 in a little less than two years.

This apparently phenomenal growth may not mean anything more than that the neighbor republic has been prosperous, that there are more people than ever who are investing in building associations and that these associations are finding ready markets for conservative mortgage loans. On the other hand, it is possible that one or two states have let down a little in the restrictions and supervision of savings and loan associations and that a period of unsound financing is not preposterous to forecast. It was noted only recently that six such associations have come under the surveillance of the attorney-general of Pennsylvania. This may not be an evidence that the Pennsylvania law is weak, especially as it is noted that the treasurer of all six of the institutions was one and the same man, and that he embezzled $90,000 of their assets. Study of the accompanying table shows that Pennsylvania leads all other states in the number of building societies. Perhaps all of them do good work, but it is somewhat surprising that New York state, with a larger population and a statute which seems an iron-clad protection of the investor, is able to get along with only 300 of these societies, compared to Pennsylvania's 4,400.

According to the authors of a recent textbook on these associations (Building and Loan Associations: Horace F. Clarke, Ph.D., and Frank F. Chase) the laws governing these institutions are somewhat lax, although a majority of the states have some sort of regulatory statute. In New York state, which may be taken as a fair sample because these associations appear to be stable yet not thriving in surprising number, the restrictions are perhaps stringent to more than the average extent. Among the provisions are:

The only salaried officer is the secretary.

Expenses must be paid out of earnings, not out of deposits.

Articles of agreement (organization) must be approved by the state superintendent of banking.

By-laws are adopted by the shareholders and must be filed with and approved by the bank superintendent.

Cumulative voting is not permitted in the election of directors.

Directors must be shareholders and are liable legally for neglect of their duties.

Bonds are required.

Preferred and guarantee shares and deposits are not permitted.

Membership and withdrawal fees are permitted but not usually exacted. The same is true with respect to fines for delinquents. Forfeiture of dues is not permitted but 40 per cent. of earnings may be forfeited.

Straight mortgage loans, as distinguished from the mortgage loan which is amortized by equal weekly or monthly payments, are permitted for the investment of the excess funds of the associations.

Size of Building and Loan Associations of the United States

State	No. of Ass'ns.	Assets	Members	Date
Totals	11,854	$4,660,809,495.19		
Alabama	8	$6,000,000.00	......	Dec. 31, 1924
Arizona	5	2,698,158.30	......	Do.
Arkansas	59	24,848,268.40	39,267	Do.
California	157	127,500,000.00	......	Do.
Colorado	52	22,913,014.11	47,321	June 30, 1924
Connecticut	34	17,784,862.56	33,877	Sept. 30 and Dec. 31, 1924
Delaware	37	6,201,168.00	......	Dec. 31, 1924 for fiscal years
District of Columbia	23	40,467,000.00	57,234	June 30, 1924
Florida	25	15,450,000.00	10,000	Dec. 31, 1924
Georgia	8	1,000,000.00	......	Do.
Idaho	9	3,260,000.00	......	Do.
Illinois	827	241,408,951.81	......	Do.
Indiana	380	192,025,913.59	317,055	Do.
Iowa	74	33,309,994.62	......	Do.
Kansas	143	78,782,160.75	148,684	Do.
Kentucky	140	55,196,457.08	......	June 30, 1924
Louisiana	80	106,931,401.24	......	Dec. 31, 1924
Maine	39	15,399,532.64	23,843	Do.
Maryland	1,100	180,000,000.00	......	Do.
Massachusetts	213	311,962,791.49	382,268	Oct. 31, 1924
Michigan	78	80,302,267.22	......	June 30, 1924
Minnesota	84	20,839,953.65	32,251	Do.
Mississippi	40	7,000,000.00	......	Dec. 31, 1924
Missouri	216	93,557,805.23	154,780	Aug. 31, 1924
Montana	30	11,649,271.62	......	End of fiscal years 1924
Nebraska	82	123,021,650.27	......	June 30, 1924
Nevada	1	270,300.67	......	Dec. 31, 1924
New Hampshire	28	7,330,534.34	14,221	June 30, 1924
New Jersey	1,282	589,000,000.00	900,000	Dec. 31, 1924
New Mexico	11	2,425,592.72	......	Dec. 31, 1923
New York	300	217,007,141.00	408,996	Dec. 31, 1924
North Carolina	225	57,835,955.43	79,154	Dec. 31, 1923
North Dakota	16	6,175,157.45	......	June 30, 1924
Ohio	822	765,625,166.68	1,966,128	Do.
Oklahoma	86	77,788,006.42	121,442	Dec. 31, 1924
Oregon	30	41,129,518.07	......	June 30, 1924
Pennsylvania	4,400	741,539,681.02	1,412,072	Fiscal years 1923
Rhode Island	7	17,075,323.50	29,248	Dec. 31, 1924
South Carolina	154	20,000,000.00	21,000	Do.
South Dakota	22	4,860,146.21	......	Dec. 31, 1923
Tennessee	14	4,477,899.34	......	June 30, 1924
Texas	108	23,014,683.87	......	Dec. 31, 1923
Utah	24	23,250,491.59	65,000	Dec. 31, 1924
Vermont	7	1,568,208.92	3,200	Do.
Virginia	86	30,000,000.00	28,000	Do.
Washington	61	59,774,836.12	160,000	Do.
West Virginia	61	23,256,758.17	......	June 30, 1924
Wisconsin	155	118,182,354.19	168,613	Dec. 31, 1924
Wyoming	11	9,711,117.00	8,700	Do.

Two Vancouver Realty and Insurance Firms Join

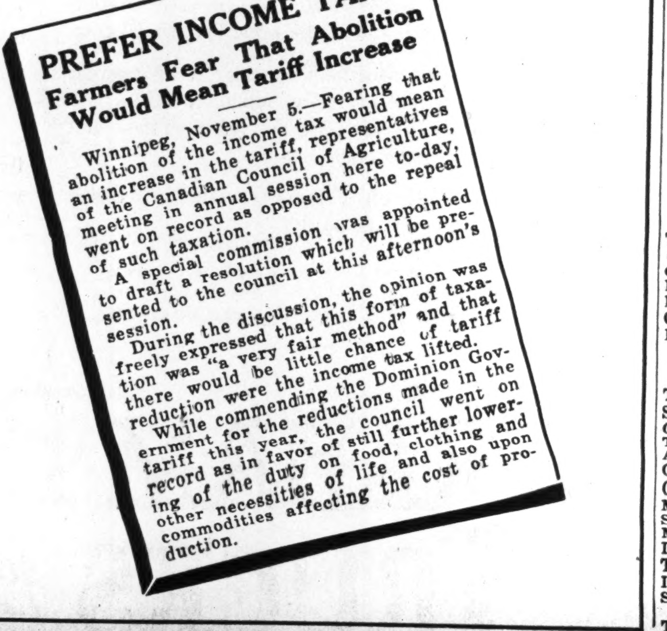
Consolidation of the firms of Macaulay, Nicolls and Maitland and Allan and Boultbee, both outstanding in the real estate, insurance field of the city, is effective to-day.

Under the arrangement the combination has come to be known as Macaulay, Nicolls, Maitland & Company.

Preliminary plans have been made for the construction of a modern business building at the corner of Howe and Hastings streets, the ground floor of which will be occupied by the new company.

A Cartoon Without Pictures

Number of Urban Homes in Canada	Number of Farm Homes in Canada
800,000	**700,000**
Income Tax Paid by Urban People (Corporations not included)	Income Tax Paid by Farmers
$25,000,000	**$170,000**
Average Income Tax Per Urban Home	Average Income Tax Per Farm Home
over $31.00	**under 25c**



PREFER INCOME TAXES

Farmers Fear That Abolition Would Mean Tariff Increase

Winnipeg, November 5.—Fearing that abolition of the income tax would mean an increase in the tariff, representatives of the Canadian Council of Agriculture, meeting in annual session here to-day, went on record as opposed to the repeal of such taxation.

A special commission was appointed to draft a resolution which will be presented to the council at this afternoon's session.

During the discussion, the opinion was freely expressed that this form of taxation was "a very fair method" and that there would be little chance of tariff reduction were the income tax lifted.

While commending the Dominion Government for the reductions made in the tariff this year, the council went on record as in favor of still further lowering of the duty on food, clothing and other necessities of life and also upon commodities affecting the cost of production.

QUARTER EARNINGS OF NICKEL SEVENTY CENTS PER SHARE

Nine Months' Figures Show Increase in Common Earnings by $2.20

International Nickel earnings for the last quarter show an improvement over the same period a year ago.

Net profits for the nine months aggregate $4,089,122 after all charges, including depreciation, which is equal to $2.20 on the common, and this compared with $2.14 for the same period of the previous year. Earnings for the third quarter after depreciation, depletion, taxes, etc., applicable to the common stock amounted to 70 cents a share. This compares with 76 cents a share in the preceding quarter and 76 cents a share in the third quarter of 1925. The net profits for the quarter are shown as $1,314,432.

The consolidated income account for the quarter, together with comparisons, are as follows:

	1926	1925
Earnings	$2,002,612	$2,123,487
Other income	41,679	23,324
Total income	$2,044,291	$2,146,811
Expenses	127,476	149,290
Federal taxes	193,205	220,951
Depr., depl., etc.	409,178	355,452
Net profit	$1,314,432	$1,421,118
Preferred dividends	133,689	133,689
Common dividends	836,692	836,692
Surplus	$ 344,051	$ 450,737

Nine months ended September 30—

	1926	1925
Earnings	$6,270,189	$5,897,536
Other income	127,567	138,012
Total income	$6,397,756	$6,035,548
Expenses and Federal taxes	1,076,983	964,389
Depr., depl., etc.	1,231,651	1,065,840
Net profit	$4,089,122	$4,005,319
Preferred dividends	401,067	401,067
Common divids.	2,510,076	836,692
Surplus	$1,177,979	$2,767,559

Consolidated balance sheet of International Nickel Co., as of Sept. 30, 1926, compares as follows:

Assets

	1926	1925
Property	$53,687,460	$53,110,819
Investments	1,499,588	1,427,235
Invent.	9,308,819	8,005,237
Advances	127,615	149,719
Accts. and bills receivable	2,738,950	2,648,462
Loans	1,600,000	800,000
Govt. securities	3,258,294	3,232,413
Cash	399,427	668,042
Total	$72,620,153	$70,641,927

Liabilities

	1926	1925
Preferred stock	$8,912,600	$8,912,600
xCommon stock	41,834,000	41,834,000
Acct. pay and tax reserve	1,813,597	1,568,528
Bills payable	2,511,086	2,800,000
Pfd. divs. payable	133,689	133,689
Insur. & con. res.	934,509	642,202
Surplus	16,480,072	14,750,308
Total	$72,620,153	$70,641,927

xPar value $25.

Deposits of Trust and Loan Companies Higher

Deposits of loan and trust companies operating under Ontario Department Insurance increased in the last quarter.

Following is The Financial Post's summary of the official figures:

	Quarter Sept., 1926	Previous Quarter
Loan Companies		
Total deposits	$46,907,989	$46,301,245
Cash	3,143,062	3,403,094
Government bonds	15,356,334	16,674,905
Municipal debs.	5,699,394	5,730,621
Demand loans	1,197,004	1,208,919
Cash and securities	25,395,795	27,017,541
Per cent. of cash, etc., to deposits	54.12	58.35
Trust Companies		
Trust deposits	$16,837,712	$16,401,137
Spec. guar. inv.	18,778,088	18,373,975
Gen. guar. inv.	36,336,050	31,575,150
Total funds	71,951,851	66,350,262
Accrued int.	156,738	135,214
Cash	1,374,821	1,693,894
Can. bonds & secs.	4,746,487	4,891,950
Municipal debs.	6,338,050	6,387,910
Sch. and tel. debs.	294,415	251,581
Mortgages	42,214,421	40,603,649
Demand loans	2,435,958	1,909,352
Trustee invest.	57,404,156	55,738,346
Interest due	831,397	813,577
Sec. not author. as trustee inv.	13,925,830	9,949,238
Total invest.	72,161,384	66,501,162

Canadian Bank of Commerce Issues Export Directory

The Canadian Bank of Commerce has compiled a directory in which are set out the names of the principal manufacturers and exporting houses in Canada, together with particulars of the commodities manufactured or dealt in by them.

This directory will, it is hoped, constitute a means by which importers in foreign countries may establish contacts with many of the corporations and firms in Canada capable of undertaking export business and thus aid in the developing of Canada's world trade.

To this end copies have been sent to the bank's branches, to the chairmen of each of the various branches of the Canadian Manufacturers' Association throughout Canada, to each Canadian trade commissioner resident in foreign countries and to all the bank's principal correspondents in foreign countries.

British Controlled Oilfields

At stockholders' meeting of British Controlled Oilfields, Ltd., shareholders representing £1,226,000 agreed to take steps to dissolve the voting trust deed and elected an advisory committee to co-operate with the newly appointed board if latter is willing to stay in office until committee appoints new board.

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EGYPTIAN CIGARETTES
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"The One Cigarette Sold the World Over"

Announcement

WE BEG TO ANNOUNCE THAT THE FINANCIAL DEPARTMENT OF THE FIDELITY AGENCY OF CANADA, LIMITED, WILL IN FUTURE OPERATE UNDER THE FIRM NAME OF

Moss, Lawson & Company

Members Toronto Stock Exchange

NO CHANGE IS CONTEMPLATED IN THE PERSONNEL, AND THE BUSINESS WILL BE CARRIED ON IN THE ENLARGED SUITE OF OFFICES ON THE GROUND FLOOR AT THE CORNER OF ADELAIDE AND TORONTO STREETS, TORONTO.

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MAPLE LEAF ANTI-FREEZE ALCOHOL

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Don't say "Anti-Freeze," say "MAPLE LEAF ANTI-FREEZE"

Sold in all first-class Garages, Service and Filling Stations.

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MONTREAL — CORBYVILLE — TORONTO — WINNIPEG — VANCOUVER

U.S. THREATENS TO BAR WINDSOR FOLK FROM JOBS

Detroit Labor Leaders Urge Exclusion of Canadian Workers

Dispatches from Windsor and Detroit tell of movements on the part of Detroit labor leaders which may affect the labor situation in the Border Cities as well as in other places along the international boundary where there is a portion of the population working daily in the United States and living in Canada.

In 1893, Canadians who were employed in the United States and lived a step across the border in Canada were told to quit their jobs or move to the United States. Most of them moved. But they came back a year later when the policy of the United States broadened somewhat.

It is reported from Washington that the bureau of immigration, department of labor, has been considering since 1917 the advisability of restricting the free movement of labor across the border, in so far as residents of Canada are concerned. That nothing worse than the enforcement of regulations requiring an indentification card has resulted, is due to the fact that special legislation would be needed to enforce exclusion and that the government will be disinclined to make a move fraught with so many complications.

Quota Law Does Not Apply

There is no doubt that many more thousands of residents of Canada are employed daily in the United States than was the case a few years ago. There are battalions of British-born residents, or citizens, of Canada who are excluded from the United States under the quota law and yet are daily employed within the United States by virtue of maintenance of a home on this side of the boundary. There is nothing in the quota law to prevent this, unless the inspectors at the border are able to exclude the worker on some other grounds. The United States inspector, like many another government official, is better at finding reasons why something cannot be done than that it can.

If the United States should be seriously considering putting up the bars, some effective work might be done by the new Canadian ministry at Washington to prevent laws which will interfere further with free intercourse at the boundary. A retaliatory law might not affect so many individuals, but it would in the end be just as embarrassing to the United States. There are several other arguments for tolerance, in the opinion of those who have studied this situation.

SISCOE PLANS TO ERECT SMALL MILL

Company Has Some Attractive Gold Showings in Quebec Area

Important financing arrangements have been concluded for Siscoe Gold Mines. Details will be available in a few days.

Plans are under way to finance Siscoe mines in Quebec. The idea is to erect a small mill about 25 tons. A recent letter to shareholders said:

This property has now reached the satisfactory stage where the installation of a small mill is wanted. As far back as 1920, Professor Bancroft expressed the opinion that the "C" vein alone justified a small mill under careful management and investigation since that time have verified Bancroft's opinion.

This "C" vein will average three feet in width. On the surface it is proved for 555 feet while for depth a shaft has been sunk 185 feet and is still in ore which assays a little better than $20 per ton.

Besides the "C" vein there is the Siscoe vein, which also shows strongly on the surface and which has been proved by drifting and diamond drilling over an extent of 700 feet in length and 200 feet in depth showing values of $7.50 at the 100-foot level and $14 at the 200-foot level.

There is also the "K" vein which was cut at the 100-foot level and drifted on for 175 feet and which assayed an average of about $13 over a width of five feet. Assays on the "K" vein were made by John A. Dresser which ran from $4 to $113 per ton in gold.

There is also the "A" vein, which has been proved on the surface for 400 feet, has been sunk on for 55 feet and which assays $26 per ton in gold over a width of 2 feet 6 inches.

Other veins are still to be developed and are visible on the surface, but notwithstanding these good showings it is the present aim to instal the mill on the "C" vein and increase the output as circumstances warrant.

Add to Chateau Frontenac

The Canadian Pacific Railway has decided to add three hundred rooms to its famous hostelry, the Chateau Frontenac, and to meet the requirements has taken options on a number of properties near the present buildings. Through the construction of the proposed new wing the Chateau Frontenac will probably become the largest hotel in the British Empire, having some 1,200 rooms.

Mining Co. in Bankruptcy

Boston Creek Mining Co. has been placed in Bankruptcy. Liabilities are $68,000.

Public Utilities

SOUTHERN CANADA POWER'S DISTRICT MODEL FOR EMPIRE

Britisher Sees It as Evidence of Canada's Certain Future

An interesting picture of that part of Canada served by Southern Canada Power Company, the Eastern Townships of Quebec, is drawn by John Mackie, a Scotch business man, director of Mackie & Ramsay, Dundee, who recently visited Canada. On his return he wrote for the London Times Trade Supplement a story of what he saw.

In part, Mr. Mackie says:

"During my stay I was invited by the directors of the Southern Canada Power Company to visit their territory which is generally described as the Eastern Townships of the Province of Quebec. This district lies upon the south side of the St. Lawrence (right bank), almost opposite the district of Three Rivers on the north bank. It, therefore, occupies a triangle of 5,000 square miles situated between Montreal and Quebec. Until 20 years ago this territory was practically unexplored, but the engineers quickly saw the possibilities of the St. Francis River, and to-day there are five water powers on the St. Francis capable of developing 100,000 h.p. Two of these sites have been developed; one completed at Drummondville in 1920 with 8,000 h.p. capacity is now being increased to 18,000 h.p. The other at Hemmings Falls develops 36,000 h.p., with a total installed capacity of 54,000 h.p. There are nine townships in this district in the laying out of which advantage has been taken of modern town-planning experience. Such is the result of vision and enterprise. Instead of a wilderness, 20 industries have to-day been established in the district, over 20 million dollars have been expended on plant and equipment, and there is steady employment for over 6,000 work people.

Agriculture and Industry

"Population follows the harnessing of power, and from that stage it is easy to see the possibilities opening out for young men of courage and enterprise, for the big business of the region is not confined to, nor does it end with, the building of the power stations. As the district develops, so will it bring prosperity to the individual citizen.

"Although situated in Quebec, the Eastern Townships district is of particular interest to British people, for it was developed and settled by pioneers from the British Isles. It is endowed with all the natural resources necessary to make it a self-supporting agricultural district, as well as an industrial area. The soil on both plains and hill country is fertile, and there is an ample supply of water from the lakes, rivers, and streams. The French peasant in the rural areas has shown his usual capacity, with the result that the district is intensively cultivated, and compares favorably with any section in Canada. The uplands are suitable for, and largely devoted to, dairy farming, from which a revenue of many million pounds per year is derived. In addition to a plentiful fruit crop there is an abundant supply of the famous maple syrup and sugar. The timber has been largely cut, but there is still an ample supply of both hard and soft woods suitable for most purposes. The mineral resources include asbestos. It is estimated that 90 per cent. of the world's supply of asbestos is available in Canada, and that 90 per cent. of this is found in this district, so that it might be said that in this small area alone may ultimately be found 80 per cent. of the world's asbestos. These, with many other advantages, can be said to be the main foundation of future prosperity along the lines of agricultural and industrial development.

Answer to Industrial Depression

"Without the hydro-electric development this district could still be a prosperous and happy settling ground, but the impetus imparted by the harnessed rivers creates possibilities undreamed of only 20 years ago.

"If this small triangle on the map of the Empire offers such opportunities, what must be the sum total of the possibilities existing in other regions? And yet we are obsessed by the present-day industrial depression in the Old Country!

"I confess that before I visited the district of the Eastern Townships in company with the directors of the Southern Canada Power Company I could scarcely credit the existence of such possibilities in one small corner of the Dominion. But after I had stood by the side of these turbulent rivers and allowed my imagination to recall the scene as it must have been only 20 years ago, it was easy to look a little way into the future and to visualize the transformation which will take place by recalling what has recently been achieved.

"There must be many willing and capable men in this country ready, particularly in these times, to take advantage of the innumerable opportunities presented by the various parts of the Empire. Let them turn their eyes to Canada, for there they can find ample scope for their ability in developing the natural resources in all parts of the Dominion."

Soon Will Turn on Power at Gatineau River Plant

Power from the Gatineau Power Company's 373,500 horsepower hydro-electric development on the Gatineau River will be available at the end of the current year. The Gatineau Power Company is a subsidiary of the International Paper Company, which is also building on the Gatineau a newsprint mill to have a capacity of 600 tons a day.

The first hydro-electric unit scheduled for completion is one of the five 34,000 horse-power units being installed at Gatineau. By March 1 next, the first of five 24,000 horse-power units at Farmer's Rapids is scheduled for completion.

The remaining units of the Gatineau River development are being constructed at Paugan and are scheduled for completion in 1928.

Public Utility Earnings

JAMAICA PUBLIC SERVICE

September—	1926	1925
Gross Earn.	$53,325	$48,869
Net Earn.	22,344	17,374
Surp. After Charges	16,203	11,066
12 Months End. Sept. 30—		
	1926	1925
Gross Earn.	$646,465	$607,912
Net Earnings	253,021	214,407
Surp. After Charges	177,967	134,158

Three Dollars Year's Profit from Each Hen

What profit will a hen earn? Here is a brief but salient paragraph from the weekly agricultural report of the Ontario government:

Hastings County.—One man who has kept an accurate record of the profits from his flock of 300 birds, reported this week a profit of $900 for the year.

LOW OPERATING RATIO BOOSTS C.P.R. PROFITS

Indications Are $15 a Share Earnings Will Easily Be Attained This Year

Net earnings of the Canadian Pacific Railway this year promise to be the best since the year ended June, 30, 1916, and its gross revenues the best on record except 1920. The reports for the best three months of the year have yet to be made but if they are only as good as last year the above estimated results will be realized. October gross for the two systems probably exceeded that of last year, Canadian Pacific showing $21,252,000 for the month against $19,439,000 last year, while the National system for the first three weeks showed $18,253,807 against $18,057,485 last year.

In the first nine months Canadian Pacific's gross was $137,331,784 and its net after taxes $28,632,021, compared with $124,674,087 and $21,635,921 in 1925 and $147,437,402 and $19,157,138, respectively, in 1920. October and November last year showed gross and net earnings above 1924 when the wheat crop was small but they were below 1923 and 1922. Consequently if the road shows a net for the last quarter this year equal to 1925 it will be an unusually good showing. But with such results the year will show a gross of $196,013,700 and a net after taxes of $47,150,874 which would compare with gross of $183,356,005 and net of $40,154,775 last year and gross of $216,641,349 and net of $33,153,045 in 1920. Such a net for the year would be equal to $10 84 a share on $260,000,000 common stock or more than sufficient from railroad operations to pay the $10 annual dividends. In 1925 earnings on stock from the railroad were equal to $8.15 a share and in 1924 to $7.17. Thus for the first time since 1917 Canadian Pacific will earn its dividends from its rail properties.

In 1925 Canadian Pacific's special net income from investments, steamship lines, telegraph department, hotels, etc., was equal to $11,357,375 or $4.37 a share on common. In July E. W. Beatty, president, said that special income this year should be at least as good as in 1925. Taking this minimum estimate it appears that the company will earn at least $15.25 a share on common which would be the best earning power for the road since 1917 when $15.90 a share was earned and would compare with $12.52 last year.

Much of the improvement in the road's net this year has been due to a lower operating ratio. For the first five months this year the ratio was 83.9 per cent. against 90 last year (for the lines in Canada). A similar comparison for June was 80.96 per cent. against 87.58, in July 75.53 per cent. against 77.09 and in August 72.96 per cent. against 72.14. The slightly higher ratio in August was due to substantially larger maintenance expenditures, those for way and structures being $330,666 larger and those for equipment $453,929 more than for August, 1925.

N. B. Sells Wool

The New Brunswick Wool Growers' Association this year marketed 19,000 lbs. of wool in co-operation with the Canadian Wool Growers' Association. This, according to James Bremner, Provincial Livestock Superintendent, is several thousand pounds less than the count for 1925; and prices this year range from three to four cents lower.

CONSUMERS GAS OF TORONTO IS MAKING PROGRESS AS USUAL

Balance Sheet of Company for Year Reflects Consistent Growth

The 78th annual report of the Consumers Gas Company of Toronto, to be published to the stockholders at the annual meeting, November 15th, shows a satisfactory balance sheet.

Consumers Gas since the last annual report has increased its capital from $10,000,000 to $12,000,000. Of course, the earnings will have to be on the basis of the new capitalization or, under the agreement with the city, up will go the price of gas. It is assumed, however, that the earnings are large enough to preclude the necessity for any change in the rates to consumers and only the hypercritical are likely to contend that a $12,000,000 capitalization is excessive for an organization without bonds or mortgages of any description, and which has real estate, plant and equipment worth $15,000,000 and other assets totaling $3,000,000.

Consumers has completed the expansion program discussed in the 77th annual report. The mechanical facilities of the company are at their peak, and it is claimed that no gas company on this continent is better equipped, while the best of the famous gas works in Europe are rivaled. Incidentally, the business of the company continues to expand.

London May Take Over Street Railway System

The transportation problem which has been worrying London, Ont., for some time, has apparently reached the homestretch, and will in all probability be submitted to the citizens of that city, in the form of a plebiscite. The vote will probably be taken as a plebiscite on the extension of the franchise of the local traction system purchase plan. The London Street Railway Co. was incorporated in 1873 under a franchise which expired in 1925, after which time the city was given the right to purchase the property (except the Springbank line) on an arbitration basis, by giving one year's notice in advance. The company has outstanding $637,480 of capital stock with a par value of $40, and there is a first mortgage of $475,000 outstanding against the property. No dividends have been paid since 1923, and earnings for the past three years have been as follows:

	1925	1924	1923
Gross earn	$628,918	$665,302	$693,411
Op. expenses	529,011	546,364	572,082
Int. and taxes	45,418	43,201	37,087
Deprec.	38,125	38,091	37,364
Dom. inc. tax	1,513	3,743	4,712
Dividends	......	......	31,874
Balance, surplus	$14,851	$33,903	$10,292

FORM MOSS, LAWSON & COMPANY

Fidelity Agency of Canada announce that the financial department of their business will in future, be operated under the firm name of Moss, Lawson & Company. The insurance business of the old firm will still be carried on as heretofore.

Coincident with the change in name, their offices on the ground floor in the Excelsior Life Building in Toronto have been enlarged, and improved facilities made available.

To Build Fish Plant

The first plant in Canada, outside of British Columbia, for the freezing of fish, poultry and eggs under the Otteson process, will be operating, in Edmonton by June 1st, according to P. Johnson, managing director of the Johnson Fisheries. His firm paid $10,000 for the rights of the territory. The initial capacity of the plant will be fifteen tons a day.

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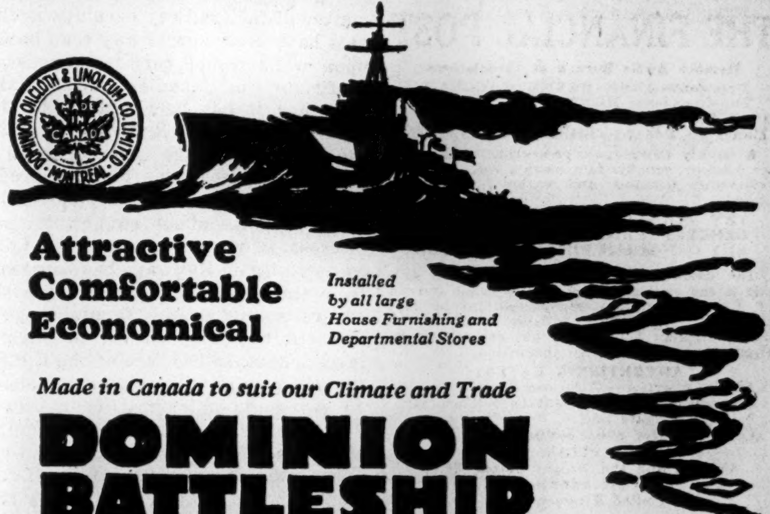

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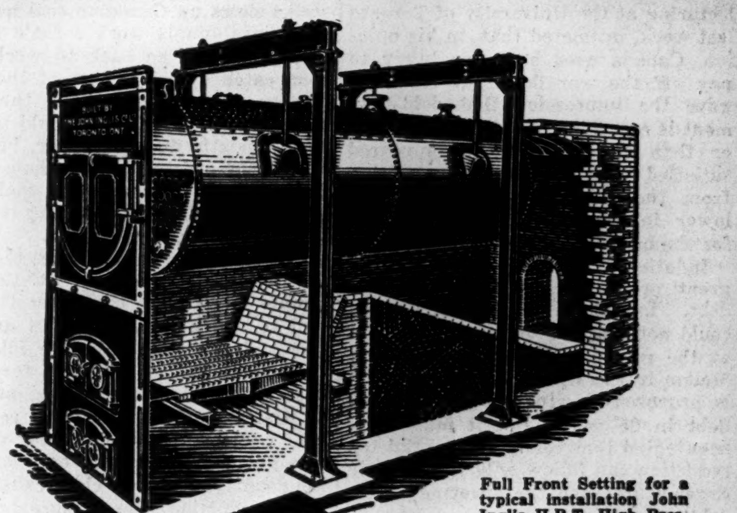

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TORONTO, NOVEMBER 12, 1926.

COME NOW; BE FAIR

WHEN the Canadian Council of Agriculture protests against the abolition of the income tax it makes itself somewhat ridiculous. It is perfectly apparent that the reason the farmers want the income tax continued is that it enables them to dodge their fair share of the taxes, taxes that might come directly out of their pockets to some extent if a more equitable tax were adopted. In the tax year 1924, there were 3,068 taxpaying farmers and they contributed an average of about $55 apiece in income tax. As there are over 700,000 occupied farms in Canada, the amount of income tax paid per farm in Canada was less than 25 cents.

There is much sympathy with the farmer, who is recognized as the foundation of Canadian prosperity. There are many leading business men and financiers who feel that there is no significant unfairness in leaving the farmer virtually untaxed in comparison with city workers. They feel that it is just one further subsidy that the urban population has to make to the farmer to encourage him to continue his work. We do not intend to argue the economics of this theory. But we do feel that the farmer is somewhat discourteous when he uses the political power, granted him by the unequal distribution of political representation throughout the country, to maintain the income tax on business men and salaried men in the cities and then passes resolutions in meeting assembled protesting against granting the willing urban horse any relief in his load.

MIGHT START PAYING

J. W. MITCHELL, vice-president of Dominion Securities Corporation lecturing at the University of Toronto last week, intimated that, in his opinion, Canada need be in no hurry to pay off the war debt. At least, he gave the impression that debt-payment is a problem for the future rather than the present. He appeared satisfied with the savings resulting from the refunding operations at lower interest rates than prevailed for the original issues.

Indutiably, posterity must pay a great proportion of Canada's war debt. Incontrovertibly, also, Canada could not attempt to pay off its debt at the rate established by Secretary Mellon in the United States, where it is proposed to wipe out the national debt in 25 years. But it must have been noted that really substantial tax reduction can follow only reduction in expenditures and the lowering of the debt.

Canada has not gone as far as it might have gone in reducing expenditures. If expenditures had been reduced in proper proportion in the last several years, a start by this time might have been made in paying off the debt, taxes could have been reduced a little further and revenues would have grown from the resultant prosperity. The experience of the United States is evidence of the benefits of this course of action.

We need not worry about Canada's ability to carry its war debt. But many people would like to see a beginning made on its repayment.

WHAT IS FAIR RETURN?

WHAT is a fair return for a railway to be permitted to earn? Generations old is this question, as old as railways themselves. Answers to-day are as indefinite and unsatisfactory as they have ever been in decades of controversy.

David S. Kerr, a Montreal chartered accountant, has attempted to answer the question. He suggests that a railway should be permitted to earn 10 per cent. on the shareholders' equity. The shareholders' equity is, of course, the investment they have made by the purchase of capital stock plus the further investments they have made of earnings that have not been paid out in dividends. This can roughly be determined by adding capital and surplus together.

In Canada, practical application of the principle would apply chiefly to the Canadian Pacific Railway. As a matter of fact railway earnings in the past have in a general way been based upon what would earn a reasonable profit for the Canadian Pacific Railway, and it has been put up to the Canadian National Railways to make the same rates earn them as large a net profit as possible. This net profit will this year run about $45,000,000, which will be about enough to pay interest on the money that the Canadian National Railways has borrowed from the investment public but without returning to the Dominion government anything on the taxpayers' investments. In the case of the C.P.R., the net profit will amount to about 15 per cent. on capital, or not over 7 per cent. on the shareholders' equity. If the hotels, steamships, etc., were segregated, it is doubtful if the C.P.R. would show earnings as high as five per cent. on the actual railway investment from railway earnings.

Part of Mr. Kerr's plan is properly to revalue the railways of the country. Our guess is that such a revaluation would show the C.P.R. as worth much more than it is carried at in the company's books and the C.N.R. at much less than the investment we fool ourselves into thinking we have in that road.

Mr. Kerr's idea is just another contribution to an interesting discussion in which a number of points stand out clearly. One is that we are yet a few years from the point where what is a fair rate for the C.P.R. is enough to pay interest on C.N.R. deadwood that the C.N.R. should not be carrying. Another is that rate reductions made to subsidize certain businesses or certain parts of the country can not fairly be charged against the railways since their present income will not stand it. And another is that our present transportation rates hardly provide the roads with reserves against lean years.

"SHUT DOWN; NO ORDERS"

LABOR troubles have been an almost ever present factor causing loss to the Canadian coal mining industry. While Canada yearly imports around 12,500,000 tons of coal of the types that are produced in this country and thus unnecessarily adds $27,000,000 or more to the debit side of our foreign trade ledger, any labor disturbance that intensifies this unsatisfactory situation is to be deplored. Probably, though, Canada has, in recent years, gained as much from labor disturbances as she has lost. Coal strikes in the United States hit Canadian coal consumers in the pocket book but stimulated production at home and the fast dying coal strike in Great Britain has also diverted orders to our mines.

Having said so much concerning the effect of labor troubles on Canadian coal production, let us state another truth that compels attention for the reason that it is too often overlooked.

The effect of strikes in curtailing coal production in Canada is infinitesimal compared with the effect of the sheer lack of orders. When a coal strike slows up Canadian coal mining, the mines simply work a little faster after the men go back to work and soon catch up with most of the production they have lost. If the men were not on strike they would be idle a few months in every year, because of lack of orders to keep them busy. This is the true reason why coal mining industry is not advancing in Canada as rapidly as it should.

The Dominion government, through the Dominion Bureau of Statistics, attempts to estimate each year the extent to which the coal mines are active and the time they are idle due to various causes. Figures for 1925 show that the mines worked at only 75 per cent. of capacity. The remaining quarter of their time was a straight loss to the owners and to the country. The two chief causes for lost production were "absenteeism" which would include strikes, and "lack of orders." Thirteen times as much was lost through lack of orders as was lost through absenteeism.

Provide the mines with orders and wage questions would probably solve themselves. The answer to the coal mining problem lies in extending the markets at home for Canadian coal.

It is a question worthy of statesmanship of the highest calibre; it demands that for its solution. It may cost the country's treasury something to put Western and Eastern coal in central markets, but a reasonable investment may prove to be worth while.

HOW BIG IS CANADA?

TEACHERS tell their pupils that Canada is a vast country with its people engaged chiefly in agriculture. In that statement is a mental picture of lonely farm lands, unremitting toil and unremunerative, unimaginative rural existence.

There must always be farmers. Fortunately there are born farmers and women who will marry farmers. But there is a large percentage of young people who know only enough about farming to realize something of its drudgery and who knew only enough about industrial and commercial pursuits to think that life in great centres of population is desirable.

It has been suggested that one reason Canada annually loses to the United States so many of her young people is emphasis, perhaps over-emphasis, of the agricultural importance of Canadian industry and the consequent underestimate of the marvelous expansion of, and opportunities in, manufacturing, mining and commercial life.

How big is Canada? The answer to such a question probably would be the geographical dimensions. A better answer would be that Canada is big enough to give to every young person as great an opportunity as is available in any other country, granting that there are no appalling mistakes, of commission or omission, in government.

PATRIOTISM IN INVESTMENT

ANYONE who remembers the gigantic financing efforts successfully accomplished during the war unconsciously will have imbibed thoroughly the belief that it is always patriotic to buy government bonds.

Is it? If every investor had all his money tied up in government bonds there would be no cash for industrial and commercial development. Without such development, progress would be impossible and prosperity would be forever absent. Too ready sale of government bonds, moreover, creates extravagance in government. In United States municipalities, the bonds of which are taxfree, the pay-as-you-go policy is forgotten utterly, although that, too, can be carried to extremes.

All, or a large proportion of, the funds of widows, orphans and charitable institutions should go into government bonds. But the active business man who puts all his surplus funds into government bonds to conserve his own financial hide from the vicissitudes of industry and commerce, contributes less than he should to the progress of his country in time of peace. Canada has, in brief, too much safety first money.

LIGHT BILLS ARE LOWER

YOUR lighting bill at home goes down every year, if conditions in your community follow the general trend in Canada. No charge that the H. C. of L. has made the cost of electric current soar in Canada can soundly be made and defended.

Here is where the average man benefits from the development of Canada's striking water power resources.

The index number of electric lighting costs in Canadian homes shows this general trend in Canada:

(Rates 1913=100)

1900	141.4
1905	135.6
1910	118.1
1911	113.4
1912	109.1
1913	100.0
1914	96.5
1915	90.8
1916	87.6
1917	87.2
1918	85.8
1919	85.8
1920	84.2
1921	84.9
1922	82.7
1923	79.5
1924	79.2
1925	75.6

Mother Nature is indeed helping the head of the family to carry his load.

HOME MARKET LARGEST

EXPORT markets mean much to the Canadian farmer. But their relative importance should not be exaggerated. Only eleven of the products on Canadian farms are not consumed to the extent of more than 90 per cent. within the confines of the country. Only three items are exported to the extent of half the total production.

Of Canadian wheat production two-thirds is shipped for export. Nearly half of the rye is exported; two-thirds of the alfalfa; five-sixths of the cheese; nearly half of the condensed milk; and two-fifths of the wool. In the case of all other commodities the home market takes by far the larger proportion.

While building export markets for our farm produce, we must not overlook the fact that the prosperity of the farms is going to depend largely upon the stability of the home markets we build up.

EDITORIAL NOTES

MAYBE the British Columbia man who got Japan on his set only had it enameled.

* * *

HENRY FORD is paying Queen Marie's expenses, but he is not giving her a five day week.

* * *

NO, GAS has not gone out. Gas refrigeration is the newest development. There is room for both electricity and gas.

* * *

TWO dollar tolls on the Cariboo road are to be levied, no doubt, to remind motorists of the highwaymen who used to operate there.

* * *

GERMAN loans are snapped up in London and Australian bonds turned down. The reason is Germany is working and Australia has a touch of the sun-stroke of socialism.

* * *

THE JANITOR'S bedroom in a Montreal parochial school is said to be as large as the average class-room. This is another explanation of the high cost of schooling.

* * *

A GIRL student at University of Toronto was refused entrance into one of the swanky sororities because she was seen to eat the lettuce that came with her salad. Evidently the study of vitamins is not on the curriculum at Varsity.

St. Lawrence Greatest Future Power Source

Fourth of a Series of Articles on

Canada's Inland Waterway

By KENNETH WILSON.

FOR four hundred years the mighty St. Lawrence waterway has been used by white men and has woven a romantic thread into the fabric of our navigation history. To-day, navigation problems are yielding to a new and rival interest which has arisen to fill the needs of the great industrial life which has sprung up along its shores. In this, the second decade of the twentieth century, the St. Lawrence is being measured and examined for its potentialities as a power-producing unit. To quote Brig.-Gen. C. H. Mitchell, a member of the engineering board which is at present investigating the proposed St. Lawrence waterways:

> **"When this volume of water reaches the St. Lawrence River proper, it provides a power possibility far beyond Niagara, and, indeed, when all its advantages as a power-producing river are considered, it is unquestionably greater than any river in the world."**

CAN you visualize a power potentiality of 5,000,000 horsepower? A bare figure such as this usually conveys little or nothing to the laymen, unversed in hydro-electric lore, but when one compares this stupendous figure with the Queenston-Chippawa capacity of 550,000 horsepower, (a plant that is the largest of its kind in the world), one can perhaps appreciate the amazing power possibilities of the St. Lawrence.

Demand Power Be Harnessed

From both sides of the international boundary there has come a demand in the past few years to develop the, as yet, unharnessed potentialities of the St. Lawrence. Private power interests in New York State have prepared a comprehensive scheme of development, and the Hydro-Electric Power Commission of Ontario submitted to the International Joint Commission three alternative schemes to develop about 1,500,000 horsepower in the vicinity of Morrisburg.

So far, in spite of pressure to the contrary the principle that navigation must always precede power interests, has been strictly upheld, and the mandate set down very firmly by the treaty of 1909 between Canada and the United States has been obeyed on the St. Lawrence both in letter and in spirit.

In this treaty, the principle was laid down that no obstructions or diversions, which would in any way affect the natural level or flow of the boundary waters on either side of the line, would be allowed, except with the approval of the International Joint Commission. Thus any projects that are now being planned (apart from the commission's own investigation), must be submitted to the commission, and although the commission has no "police power" on the river, it is unlikely that they would give their sanction to any local project until the greater question of the St. Lawrence waterway is definitely settled. Fortunately, it seems that there need be no conflict between these two great interests, as the plans proposed in 1922 by the International Commission, call for a joint development for power and navigation purposes with a present capacity of 1,500,000 horsepower in the international part of the river, and an ultimate capacity of from 4,000,000 to 5,000,000 horsepower.

Cost Estimates Differ Widely

One of the remarkable features of the various development proposals, was the wide difference in the cost estimates. The Hydro Electric Commission estimated the cost of development at $150,000 and Hugh L. Cooper & Co., of New York, estimated $1,300,000—just 8 times as much as the former. The cost of power to the consumer is estimated by the organizations at approximately $12 and $17 per horsepower. Most advocates of power development contend that the scheme will be able to carry the burden of all the costs involved in enlarging the river for navigation purposes. While this may be possible in view of the low cost of producing power, it would be very bad economics and should be discouraged from a business point of view.

There seems to be no doubt that the next decade will see an enormous increase in the demand for electric power. In the past few years the demand has more than doubled, and has been far in excess of the most liberal estimates made a few years ago. As far as Ontario is concerned, the demand for power is increasing at the rate of about 75,000 to 10,000 horsepower per year, and although this demand is taken care of for the next few years, the situation is one which demands a continual looking into the future for more power. The nine units at Chippawa are producing about 550,000 horsepower at present, and in another year its capacity will have been entirely absorbed. The recent purchase of power from the Gatineau River in Quebec is to furnish an ultimate supply of about 250,000 horsepower of which the first instalment is to be furnished in 1928.

Working Ahead Ten Years

While Quebec at present seems to have sufficient power for her immediate needs, and has always taken the stand that there is plenty of available power on such purely national rivers as the Ottawa, industrial expansion is forging ahead with such great strides that future needs will unquestionably be very great. Ten years from now, which would probably be the earliest estimate for completion of the St. Lawrence project, the power needs of both Quebec and Ontario, may have soared beyond all other available sources of supply. One outstanding fact about the St. Lawrence from a power point of view, is that it has a uniform flow throughout the entire year—only varying a few feet in the most extreme years. To anyone associated with power problems, the importance of this advantage is apparent. Most rivers have flood seasons in which the discharge is ten to even twenty times that of the low water period. The Ottawa river varies more than twelve feet during the year.

Our Greatest Future Power Source

Neither Canada nor the United States can develop the St. Lawrence without perfect co-operation on both sides of the river. In other words, all government interests, whether federal, provincial or state, must be harmonized before the mighty power plant is harnessed. No matter what plan is finally adopted the St. Lawrence is undoubtedly the most potential power source on the North American continent, and once its future as a means of navigation has been solved Canada may look with confidence to its development as an infinite source of cheap reliable water-power.

Other People's Views

Practical Socialism

Commercial West, Minneapolis.—In the remarkable distribution of investment securities we find a practical and effective method of developing the principle of co-operation in business instead of the failures of the methods employed by some impractical dreamers, who aim to reform modern industry along theoretic lines. One is a natural movement in line with economic laws, while many of these would-be reformers, who talk much about co-operation and co-operative marketing, attempt to start some novel scheme and disregard all economic laws, only to end in failure.

Get Sound Advice First

Vancouver Province: It is foolish, of course, for the inexperienced investor to buy stocks of any sort in companies which he knows nothing about. There are plenty of reputable bankers and brokers who will willingly give him advice if he asks it. But he will not always ask. This fact, however, by no means makes him legitimate prey, and it is one of the duties of the government to afford all the protection it can. Industry and thrift are necessary for the economic well-being of this country. They are capable of providing us with much of the capital we need for development. But if the fake promoter is allowed to range at will, not only will a good share of this capital disappear, but the very qualities which produced and gathered it will be discouraged.

The Municipal Income Tax

Niagara Falls Review, Ont.—The municipal income tax is probably one of the most unpopular of all taxes. Rightly or wrongly, the average individual hates to pay two income taxes. Many people claim that there would be a large increase in the population of Niagara Falls if the tax were abolished. It is urged that many people, now living over the river and working here, would move to this city.

One grievance is the fact that the tax is not the same all over. In Niagara Falls, for instance, it is forty-two mills, while in other nearby places it is much lower. Many cities are penalized because their mill rate is higher than the adjoining municipality. Some people definitely live outside the municipality in which they earn their living because of the fact that the income tax bears more lightly outside.

There is much to be said for the idea of a uniform tax, if the tax is to be continued. The tax should be uniform and fairly enforced or abolished. Most people know of places where the income tax provision of the Assessment Act is either not enforced at all or only partly in force. That is the real cause of the agitation against the municipal income tax.

As Others See Us

The Continental Line-up

Commerce and Finance, New York.—The conference of British and German industrial leaders in London seems to arouse suspicions of an attempt to draw the mother country into a continental line-up—"the United States of Europe, with Berlin as the capital, and free trade as they have it within Canada and the United States of America," as The Financial Post expresses it. The prospect of intra-European free trade and a tariff against the rest of the world is unpleasant for Canada to contemplate, Britain at present being her second largest customer."

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Canadians have also been investing in Canadian Government, Municipal and Corporation bonds at the rate of approximately $250,000,000 per annum. It is estimated that interest and dividend payments during October from the past investments amount to over $50,000,000. The problem of satisfactorily investing accumulating and incoming funds is, therefore, a very important one.

To those who would conserve their funds and have them bring in certain and regular incomes, we shall be glad to send a well diversified list of investment suggestions.

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Your Investments

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St. Catherine-Stanley

What is your opinion of St. Catherine-Stanley Realty Corporation 6½ first mortgage sinking fund gold bonds, maturing May 1, 1946?

St. Catherine-Stanley Realty Corporation has good men behind it. The mortgage is 63 per cent. of appraised value, which is high, but the location is excellent and prospects for the building are bright.

Cawthra Apartments

I would appreciate having you supply any available information on the following security:

Cawthra Apartments, Ltd., 7 per cent. first (closed) mortgage gold bonds, maturing June 1, 1946.

Cawthra Apartments is excellently sound, the Cawthra estate being interested to a heavy extent in securities junior to the bond issue. The financial set-up is generally regarded as good.

Kelvinator-Famous Player

I am holding Kelvinator preferred at 93 and have been advised to transfer to Famous Players preferred, which will bring in a better yield. What is your opinion?

Kelvinator preferred is a promising young industrial concern, well backed.

Famous Players is an established amusement organization now solidifying its position.

While each stock has attractions, we do not see any particular appeal to the transfer, even for a slight gain in income.

Canadian Wool Growers

Can you give me any information with regard to the financial standing, management and prospects of the Canadian Co-operative Wool Growers, Limited?

What is the market value of their stock?

The Canadian Co-operative Wool Growers Ltd. is a grower selling agency offering the service of grading wool when it is first placed on the market, to Canadian wool growers. The company has been in operation for eight years, and has collecting stations in every province in Canada. The grading is done by thoroughly qualified wool graders supplied by the Dominion Department of Agriculture Livestock Branch, under the grading policy of that branch. The wools are sold by grades, and each grade is accounted for to the grower. In Western Canada wools are collected at various points in car loads and forwarded to the central warehouse at Weston, Ontario, for grading. This is one of the finest wool warehouses in Canada and has a capacity of four million pounds. Besides this there are warehouses at Carleton Place, Lennoxville, Que., Fredericton, N.B., Charlottetown, P.E.I., Truro, and Antigonish, N.S. The company has handled over 19,500,000 pounds of Canadian fleece wool, selling in Canada, England and in the United States. It has its own men covering the trade in Canada, its own representatives in foreign markets, its own modern warehouses handling capacity quantities of wool. In other words it is the direct market from the producer to the consumer.

The directors of the company are 15 in number and are representative of all provinces in the Dominion. The officers of the company are as follows:

G. E. O'Brien, general manager and treasurer; W. H. J. Tisdale, assistant general manager; G. O'Neil, secretary; B. G. Hollingdrake, wool superintendent; W. W. Thomson, manager, Manitoba and Saskatchewan Branch, Regina, and L. V. Parent, manager of Quebec branch, Lennoxville.

The entire capitalization of the company is in common stock, of which there is $200,000 authorized, $106,600 subscribed, and $98,467 paid up. The stock has a par value of $10 and a dividend of 8 per cent. is being paid on it regularly. In the last balance sheet for the year ending February 27, 1926, the fixed assets of the company were $85,149; current assets, (including inventories, accounts receivable, advances to wool growers and associations, and cash on hand) $146,804; and a general reserve on the liability side of $70,000. There are also first mortgage bonds to the extent of $100,000 issued by the company and held by the Bank of Montreal for safe keeping.

We can find no record of trading in the stock nor even nominal quotations between investment houses. Apparently buying and selling of shares, apart from treasury shares, is a matter for private negotiation.

Besco Preferrred

Please give me your opinion of the common and second preferred shares of the British Empire Steel Corporation as a speculation at present prices. I am holding some Dominion Steel stock which I bought at 75.

If you wish to speculate in British Empire Steel Corporation shares, the first preference stock looks more attractive to us than the second preference or the common shares. There is but $8,032,000 of the first preference stock outstanding. While the Dominion Iron and Steel Company is in the hands of the receiver, and while the interest payments on the securities of the Nova Scotia Steel and Coal Company are in arrears yet Besco still controls the Dominion Coal Company which in view of the importance of coal in the manufacture of steel, makes this property a vital link in the chain of the other constituent companies of the British Empire Steel Corporation.

Moreover, Besco owns outright the Halifax Shipyards, against which there is no bonded indebtedness. The latter seems to be paying its way and, with greater use of the port of Halifax, perhaps might make more money in the future.

Are you aware the Besco situation is extremely involved? Just how each group of shareholders will fare in the forthcoming reorganization it is impossible to forecast. At the moment, the purchase of shares in Besco or its constituent companies seems more like a gamble than a speculation, despite the fact that earnings are improving.

Superior Paper

Could you inform me as to Superior Paper Mills, Thorold, Ont.?

While Superior Paper Mills is a new concern, not yet at the operating stage, it holds unusual promise. The board of directors are experienced men in the paper business. They have themselves supplied the greater part of the necessary capital to get the plant in operation. They propose to manufacture chiefly lines of paper not now made in this country and imported from the United States. These include several lines of specialty papers, including pattern tissue, twisting and wrapping tissues, etc. There is a constantly growing market for these kinds of paper in Canada.

The mill is splendidly located in the centre of the paper manufacturing industry in Ontario. The total authorized capital is $250,000, $200,000 of which is being issued. The plans and prospects of this company were fully reviewed in the pulp and paper issue of The Financial Post of September 24, 1926.

Canada—The Investor's Opportunity

There is abundant indication that Canada—with its great natural resources inviting tremendous development—is at the threshold of a period of unparalleled prosperity.

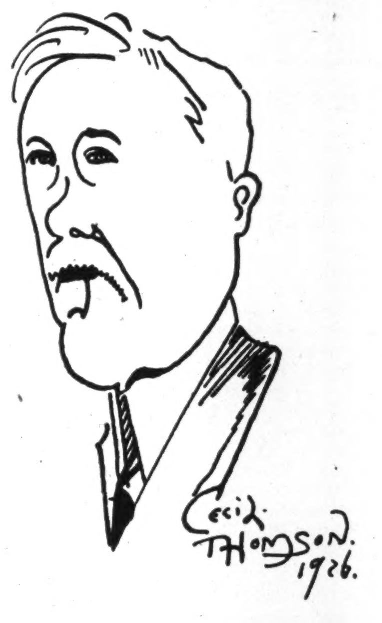
Through purchase of carefully selected securities now, the wise investor will obtain the financial benefit of the enhanced investment values which are certain to result from Dominion-wide commercial development.

We are in a position to submit offerings from a wide list of available securities, selected to meet the requirements of individual investors, and to supply information and advice based upon our long experience in the financing of Canadian industry.

If you have funds available for investment at the present time, or hold securities which might be favourably exchanged for others, write us for offerings and suggestions.

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York

Canadians in Caricature—No. 5.


Cecil Thomson. 1926.

The Tariff Maker

Hon. George P. is going to be a busy man. Already, it appears, there are 26 applications before the Tariff Board for tariff changes. Some of them will not take long to study. Others are good for months of work. Such, for instance, as the application of two big steel companies for modification of present tariffs on iron and steel. This is a task so big and so complicated that none but such a serene and experienced individual as Mr. Graham would face the prospect of the study with equanimity.

Mr. Graham had been so many years in politics in Canada that when he said he was going to retire everybody thought he meant it. He probably meant it. But soon he was back at Ottawa again. He could not stay away; the government would not let him stay away. As chairman of the Tariff Board he is again in the public eye, as big as ever.

Mr. Graham will not change our tariff. That is not his job. His board is a buffer between the minister of finance and the public and an advisory council as well. But if he handles the job well he will have a lot to say.

Current Loans Rise; But Savings Decline

Further increase in business activity in Canada, and a seasonal widening of the operations of Canadian banks are alike shown by September 30 bank figures, released by the Dominion government.

Current loans show an increase between August and September of $14,600,000, and an increase over last year of $56,100,000. Call loans have also increased as a result of the security boom in Canada, showing a rise of nearly $3,000,000 for the month and over $22,000,000 for the year.

Savings deposits declined in September, probably another reflection of heavy purchases of securities, the drop amounting to $7,000,000, although savings deposits are still $67,000,000 over figures of a year ago.

Note circulation outstanding increased during the month as crop movement got under way, but the fact that the increase did not bring the total circulation to the September 30, 1925, total.

BANK STATEMENTS FOR MONTH OF SEPTEMBER

Immediately Available Liquid Resources

ASSETS

	Sept. 1926	Aug. 1926	Change	Sept. 1925	Change
Specie	$ 62,491,166	$ 64,005,002—	$ 1,513,836	$ 56,924,858+	$ 5,566,308
Dom. Notes	122,067,101	112,820,117+	9,246,984	123,344,163—	1,277,062
Gold Reserves	64,610,332	68,210,332—	3,600,000	60,760,332+	3,850,000
U. K. Banks	12,166,450	11,343,790+	822,660	8,330,792+	3,835,658
Foreign Banks	56,800,253	61,445,400—	4,645,147	54,477,669+	2,322,584
Foreign Curr.	21,923,856	24,228,102—	2,304,246	25,075,737—	3,151,881
Govt. Securities	344,195,394	343,313,924+	881,470	367,947,381—	23,751,987
Call Loans Abroad	260,763,965	245,193,882+	15,570,083	250,825,205+	9,938,760
	$ 945,018,517	$ 930,560,549+	$14,457,968	$ 947,686,137—	$ 2,667,620
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	122,220,061	124,087,959—	1,867,898	140,217,663—	17,997,602
Rly. Secs.	61,151,746	60,769,703+	382,043	55,699,530+	5,452,216
Can. Call Loans	141,837,903	139,068,541+	2,769,362	119,730,033+	22,107,870
Current	959,889,525	945,274,265+	14,615,260	903,717,736+	56,171,789
Loans Abroad	266,851,767	261,404,476+	5,447,291	224,364,128+	42,487,639
Prov. Loans	16,841,974	12,863,440+	3,978,534	19,682,949—	2,840,975
Municipal	68,849,856	70,150,651—	1,300,795	67,174,446+	1,675,410
	$1,637,642,832	$1,613,619,035+	$24,023,797	$1,530,586,485+	107,056,347
Other Assets					
Non.-curr. Loans	10,004,879	9,649,439+	355,440	10,826,596—	821,717
Real Estate	8,273,217	8,325,017—	51,800	8,819,697—	546,480
Mortgages	5,902,651	5,691,797+	210,854	4,637,728+	1,264,923
Premises	71,262,034	71,369,679—	107,645	73,386,692—	2,124,658
Lets. of Cred.	72,119,010	70,342,321+	1,776,689	62,456,232+	9,662,778
Loan to Comp.	5,841,677	5,682,777+	158,900	5,683,454+	158,223
Other Assets	2,748,417	2,944,863—	196,446	3,462,652—	714,235
	176,151,885	174,005,893+	2,145,992	169,273,051+	6,878,834
Total	$2,758,813,234	$2,718,185,427+	$40,627,757	$2,647,545,673+	111,267,561
Note Cir. Dep.	5,766,484	5,760,453+	6,031	5,798,696—	32,212
Int. Bank Bal.	122,127,352	122,298,851—	171,499	183,357,029—	61,229,677
Gross	$2,886,707,070	$2,846,244,781+	$40,462,289	$2,836,701,398+	$50,005,672
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	$168,008,821	$167,047,033+	$ 961,788	$170,080,038—	$ 2,071,217
Dom. Govt.	52,223,357	47,111,233+	5,112,124	40,882,718+	11,340,639
Prov. Govt.	17,825,989	16,425,447+	1,400,542	21,181,078—	3,355,089
Govt. Advances	18,800,000	14,300,000+	4,500,000	11,200,000+	7,600,000
Deposits by Public					
Demand Dep.	558,415,64	532,475,594+	25,940,010	589,946,106—	31,530,502
Savings Dep.	1,335,895,766	1,343,116,753—	7,220,987	1,268,554,097+	67,341,669
Total	$1,894,311,370	$1,875,592,347+	$18,719,023	$1,858,500,203+	$35,811,167
Foreign Dep.	326,255,121	323,885,477+	2,369,644	350,231,587—	23,976,466
Due Banks Abroad, Etc.					
United Kingdom	10,391,804	6,796,306+	3,595,498	3,324,441+	7,067,363
Foreign	34,719,157	33,379,170+	1,339,987	33,192,978+	1,526,179
Bills payable	12,382,713	13,261,826—	879,113	9,774,566+	2,608,147
Lets. of Credit	72,119,010	70,342,321+	1,776,689	62,456,232+	9,662,778
Other Liabilities	1,890,080	1,768,123+	121,957	1,461,721+	428,359
Public Liab.	$2,608,927,422	$2,569,909,283+	$39,018,139	$2,562,285,562+	$46,641,860
Due Bet. Banks	10,365,899	10,283,666+	82,233	14,458,068—	4,092,169
Liability to Shareholders					
Dividends	700,129	2,665,340—	1,965,211	701,723—	1,594
Reserve	125,441,700	125,441,790—	90	124,441,700+	1,000,000
Capital	117,124,011	117,064,531+	59,480	116,164,660+	959,351
Gross	$2,862,559,161	$2,825,364,600+	$37,194,561	$2,818,051,713+	$44,507,448

POST-Scripts

THIS little tale might be entitled: "Why Surveyors Grow Wrinkles."

Here, verbatim, is the so-called description of a property which recently changed hands in Welland county:

> "Commencing at a distance of eleven feet on Niagara Street from the northeast corner of a building at present occupied as a grocery store on lot thirteen, and at the northeast edge outside the well, thence along Niagara Street to the northerly limit of lot fourteen, thence westerly to the rear of said lot at its northwest limit, thence south along the rear of the boundary of lot fourteen to a point directly opposite in a straight line to the said northeast corner of said well, thence in a direct line easterly to the said well to the place of beginning."

It is interesting to note that there is not one dimension given in this description. The surveyor, fortunately, found that the building is still occupied as a grocery store. Otherwise, he might have had to use a divining rod to find the said well, which time had obliterated.

TRADITION apparently declares in the British Isles that a firm should not mention its business on its letter head. One would judge as much from most of the letters coming to this country from British firms. For instance, one letter that arrived in The Financial Post's editorial offices this week: It was a firm we will call "Black and Smith, Ltd." The letter head informed the recipient that "Fires, breakages, delays caused by trade disputes and other unforseen circumstances excepted." Also that "All quotations" were "without engagement." The names of the directors were there; also the cable and telegraph addresses, the list of the three codes used, the telephone number and the registered address. There was space for "Our Ref." and "Your Ref."

All that, but nothing to show whether they were ironmongers, drapers, accountants or green grocers.

THE most effective form of "official intervention" on the exchange markets yet devised is reported from Manchuria, where, it would appear, a flutter on the silver-yen cross rate can only be indulged at the risk of losing one's life. All the elements have been present for the development of a considerable volume of speculation in Manchuria. The local currency, the fengpiao, has been depreciating under the strain of Chang Tso-lin's expensive campaigns on such widely separated fronts as the Siberian frontier and the Chihli Province; the silver dollar generally used for foreign trade has been depreciating in terms of gold concurrently with the fall of silver, and, at the same time, the Japense yen has been making steady progress — almost inevitable progress—in its return to gold parity. A situation such as would tempt the dullest and most timid of speculators has thus been in existence, and it can cause little surprise that local bankers and exchange dealers in Mukden should have availed themselves with some avidity of the opportunity of gain which such a combination of circumstances has offered to them.

The Mukden government have, however, given would-be speculators some food for thought by beheading a number of persons found guilty of illegal profiteering on the foreign exchange markets. The experiment of maintaining the value of a currency through such artificial though drastic measures, should provide interesting material for currency theorists.

Diversified Investments for November Funds

Our November List summarizes in concise form the essential information on well diversified groups of government, public utility and industrial bonds and preferred stocks.

The requirements of any investment can be met from this list and it will be helpful to you whether you are an investor of long experience or an investor contemplating a first purchase.

Income returns range from about 4½ to about 7½%.

Write or telephone for Investment List No. 4.

Greenshields & Co
Members Montreal Stock Exchange
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

45

FOLKS and Finance

A GROUP of large United States industrial corporations are directed from an office in this country. The American Salesbook Company, the F. N. Burt Company, the Pacific-Burt Company, the William A. Rogers Company and the Gilman Fanfold Company, which are leaders in the field of counter check book, paper box and silverware manufacturing are headed by Samuel J. Moore, of Toronto, Canada.

Mr. Moore immigrated to Canada from England as a boy was a printer's devil on a small Ontario town weekly. From that he graduated to a print shop in Toronto, and it was while there that he heard of a clerk in a Toronto shop who had invented a counter check book. He made an arrangement with the clerk to print and sell the check books, forming the Carter-Crume Company for the purpose. This little company was the seed from which grew the big chain of related and successful enterprises mentioned above.

Early in his career Mr. Moore extended the activities of his enterprises from Canada to the United States, being one of the first of Canadian business men to se the possibilities of handling an American business from a Canadian office. In time his American business outgrew the Canadian business, but Mr. Moore decided to remain a Canadian citizen. It has made it necessary for him to spend about thirty years of his life moving back and forth between Toronto and Buffalo and Niagara Falls, where the United States plants are, but the net result has been that the companies have been exceedingly successful in both the United States and Canada.

An Interesting List of Odd Amount Bonds

For the convenience of those wishing to invest moderate amounts, we have prepared a special Bond List consisting of small balances, many of which are in uneven denominations ranging from $100 to $1,000. These are offered at attractive prices.

Copy will be gladly furnished upon request.

Wood, Gundy & Company
Limited
36 King Street West
Toronto
Telephone: Elgin 4321
Toronto Winnipeg London, Ont.
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Experience counts too—

HONEST endeavour and careful study cannot of themselves appraise safely the real value of securities.

Advice, based on the experience of over a century of judging investment values, is offered without obligation by this company alike to those who purchase in hundreds or thousands of dollars.

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204 Blackburn Bldg. OTTAWA
71 St. Peter Street QUEBEC
165

Members
New York Stock Exchange
New York Cotton Exchange
New York Coffee and Sugar Exchange
New York Produce Exchange
New York Curb Market
Chicago Board of Trade
Toronto Stock Exchange
Winnipeg Grain Exchange
New Orleans Cotton Exchange
Chicago Stock Exchange
San Francisco Stock and Bond Exchange
Los Angeles Stock Exchange
Houston Cotton Exchange
Dallas Cotton Exchange
Rubber Exchange of N.Y., Inc.
Associate Members of
Liverpool Cotton Ass'n

The Studebaker Corp.
and
Standard Oil Co. of California
Position of these two Companies analyzed in the current issue of our Fortnightly Review.
A copy will be mailed on request.
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Corner of King and Bay Streets
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Bond, Insurance, Estates, Farm Lands, Appraisals
We are well informed on the oil situation.

THE STANDARD TRUSTS COMPANY
OF WINNIPEG, MANITOBA
INVITES the patronage of Western people as well as that of Eastern people having interests in the West requiring attention.
Nearly a quarter of a century in business, it was the first Trust Company to operate west of the Great Lakes, having its head offices there, and, with a Directorate of leading business men, well versed in Western affairs, it is capable of giving unquestionably good advice to all clients and patrons on matters fiduciary.
It is especially equipped to handle executorships, administrations, and trusts of all kinds, investments, rentals and other collections.
BRANCHES: SASKATOON, EDMONTON LETHBRIDGE, VANCOUVER

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BOND AND SALES CORPORATION, LIMITED
Dealers in
Canadian Government, Municipal and "Dollar for Dollar" Bonds
CORRESPONDENCE INVITED
34 KING ST. EAST, TORONTO
Sir John Willison, Kt., LL.D. President
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We are in the market at all times for
British Columbia Municipal Bonds
British Columbia Bond Corporation, Limited
H. E. Boorman, Managing Director
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News of Investment Markets

TELLS STUDENTS ABSORBING STORY OF WAR FINANCE

Problem of Redeeming War Debt Dicusssed by J. W. Mitchell

The story of Canada's war finance, its momentous bearing upon the education of, the public mind toward investment, and the problem of repayment of Canada's present debt, were the topics discussed by J. W. Mitchell, vice-president of the Dominion Securities Corporation at a lecture given last week to students in Commerce and Finance at the University of Toronto. This lecture was the third in a series being given as a practical course in business administration, and was attended by undergraduates both of the university and of the business world.

A summary of Mr. Mitchell's address follows:

Where Borrowing Comes In

As soon as a government is important enough to need finances, the question of revenue arises and obviously the first thought is towards taxation. In many cases, however, the need is for capital rather than for running expenses, in which case there arises the necessity to borrow, through the medium of a loan. This idea must have originally developed by getting large sums of money over and above the tax levy, from those who had much personal wealth. The money thus borrowed, would be retained for a considerable period, in order to give the government sufficient time to think up the best means of raising taxes to pay off the loan. Sudden taxes are always bad if they are unexpected, since they usually impose an unfair burden upon business. Thus when money must be raised for a special purpose the government appeals either to individuals or to the country for a long-term loan, and in the meantime it thinks up ways and means of repaying the money.

Broadly speaking, everyone thinks of government bonds as a safe investment, but the term is purely relative. Absolute safety can only be determined when the bond matures, and in the meantime the market registers as accurately as possible, except opinion as to the quality of the bond, in terms of per cent.

Canada's Debt and Its Growth

In 1867 the net debt of the Dominion was $75,000.000. and by 1914 this had risen to $335,000.000. Of this amount, John Bull supplied $302.000,000, and Canada, herself, only $750,000. The average interest rate upon the debt was 3.52 per cent. Up to that time there had been no single loan greater than £6,500.000, which was considered an enormous amount. When Sir Thomas White in Nov., 1915, announced his first war loan, he was breaking new ground, as bonds were then unknown to the average man, $50.000,000 was asked for, and the response was $103.000,000 from 24.000 subscribers. The loan matured in 5 years because of the fact that many people were already accustomed to 5-year mortgages.

Another Success in 1916

The 1916 loan was equally well supported, this time by 34,000 subscribers. During this period all the general requirements of the country were being met by loans from the United States and the proceeds of war loans were used entirely for war purposes. In 1917, 5 and 20 year bonds to the extent of $150.000.000 were floated among 41,000 subscribers.

When the United States entered the war, that source of credit was stopped, with the result that the Minister of Finance practically commandeered all the bond houses and the Victory loan organization took over the field. Then arose the great problem. How was the idea of bond investment to be put across to the public? To accomplish this task, all the best selling and organization brains were lined up in every part of the country with key men in the towns and cities. The results were nothing short of astounding. 809.000 subscribers volunteered $566.000.000 of money on a $150,000.000 offering. Undoubtedly 750,000 of these were investors in their country's bonds for the first time in their lives. The habits of thrift and an appreciation of a bond investment were being driven home to three-quarters of a million people.

Even the fact that the Armistice was signed in the middle of the campaign, failed to dampen the enthusiasm for the 1918 Victory loan, and this time 1.140.000 people offered $695.000.000 to the government. The 1919 loan (a taxable issue) was subscribed with equal enthusiasm on the basis of bringing home the boys. To-day Canada is faced with the problem of lowering her debt.

The first steps in that direction were the refunding of expiring issues at lower rates of interest. In 1922 the first renewal was made on a 5½ per cent. basis; during the last three years the rate has been 4½ per cent., so that to-day the average rate of interest is under 5 per cent. The serious thing about the debt is that it is of a non-productive character. Of debt outstanding in March 1926, Canada held $1.900.000; Great Britain $311,000 and the United States $280.000. Thus the debt rests largely upon our own shoulders, although some even doubt that this is an advantage. Why should it be an advantage to carry one's own debt? The only answer is that it will pay a country to borrow as long as it is earning more by the use of the money. Borrowing money within the country is not necessarily good or bad of itself, but must be considered in its relations to other factors.

If borrowed from ourselves, we minimize our interest payments, if imported and used productively a country (and particularly a young country) may find it very profitable to borrow from outside.

Facing Problem of Redemption

There are many ways in which Canada could face the problem of redemption. She could raise money each year by means of a sinking fund and redeem the loans as they fall due, or she can make her redemptions on the installment plan as is being done in Toronto.

Thanks to the victory loan campaign, Canada is now a nation of bond-buyers, which is not only good for the thrift of the country, but must also have an effect upon the interest of the people in governmental affairs.

Tax Free Issues Gone For Good

In answer to a query regarding the future of tax-exempt bonds, J. W. Mitchell, vice-president of Dominion Securities Corporation, in his address at Toronto University, said: "It is my opinion that tax-free bonds will never again be seen in this country."

Gurney Heater Bonds Offered to Yield 6.36 P.C.

Offering is being made by the Dominion Securities Corporation of $750,000 of bonds of Gurney Heater Manufacturing Company. This company, controlled by the same family that controls the Gurney Foundry in Canada, has a plant at Framingham, Mass., where it manufactures boilers and radiators for American trade.

Issuance of the bonds is being made at a price to yield the investor 6.36 per cent. They run for fifteen years and it is understood that the chief purpose of the financing is to provide the company with additional working capital to aid it in handling the increased volume of business that is falling to its lot.

$750,000
GURNEY HEATER MANUFACTURING CO.,
First Mortgage 6 per cent. Sinking Fund Gold Bonds. Dated Nov. 1, 1926. Due Nov. 1, 1941.

Company—Massachusetts Company, manufacturing boilers and radiators. Original business founded 1886. Offices in principal eastern U. S. Cities.

Assets—Depreciated appraised value of fixed assets $1,064,122. Liquid assets $1,040,000.

Earnings—Last year $238,541 available for interest and depreciation.

Sinking Fund—Commencing Nov. 1, 1927, sufficient to retire whole issue by maturity.

Offered—Nov., 1926, by Dominion Securities Corporation. Price 96.50, to yield 6.36 per cent.

Bits About Bonds

Toll Bridge bonds are evidently so important as to have induced one American bond house to make a specialty of them. Peabody, Houghteling & Company say of toll bridge bonds:

"The investing public is rapidly coming to appreciate the exceptional merit of toll bridge securities as a means for the conservative investment of its funds at exceptionally attractive yields. There is a continued demand for bridge construction as evidenced by the tremendous growth in automobile registration with its attendant growth in traffic. Privately owned toll bridges provide a vital public utility in furnishing indispensable connecting links between our national highways."

The only toll bridge bond on their list that might have a Canadian interest is Buffalo and Fort Erie Public Bridge Company (New York-Canada) first mortgage 7's, due 1955, offered to yield 6.40 per cent. This incidentally is the second lowest yield on the list evidence of some faith in the soundness of the project.

Indications are at hand that the large foreign buying of bonds, which has been a factor in recent advances in European bonds, had ceased, at least for the present. For more than a week Belgian and French bonds had led in a steady upward movement. Prices in some cases were forced up to such levels that foreign buyers apparently became discouraged. Considerable profit-taking is apparent in the bond issues that have been recent leaders, but there is no selling that the market is not able to absorb.

Although the Italian proposal to fund the national debt through a large new loan is entirely an internal project, it aroused general interest in Canada, where many Italian bonds are held. The general reaction here to the plan was favorable. It was pointed out that while the internal debt of Italy would be increased, the question of bond redemptions would be done away with for a period of years, giving the country's financial administrators an opportunity to work out their plans without unnecessary impediments. At first glance, the new plan appeared to cause some selling of the lira, owing to the forced character of the new loan, but the exchange rate received ample support and only a moderate decline occurred.

Some Weeks ago when The Financial Post ran a couple of articles on Canadians who have built up successful businesses in the United States as adjuncts of Canadian firms, one of the industries mentioned was the Gurney Heater Manufacturing Company, of Framingham, Mass. This is not a subsidiary of the Gurney Foundry Company of Canada, but is owned by the same family and is a development of the Canadian business. Now the American company is coming directly into investment prominence by the offering in Canada of three-quarters of a million dollars of its bonds.

This company has been exceedingly successful across the border. It was founded under another name in 1886, and the Gurneys took an interest in it a number of years ago, finally acquiring complete control about five years ago. It employs over 500 men and sells its product throughout a large part of the United States. It manufactures heating and radiation apparatus, some of its lines being protected by patents regarded as very valuable.

Its business has been almost entirely in the house and small building field, this somewhat restricted field having kept the plant at capacity in the past few years.

Seagram Stock Shows Rise After Quick Sale

Evidence of the keen interest in beverage stocks that has developed in Ontario in recent significant weeks was given when an offering of stock in Joseph E. Seagram & Sons was taken up in a few hours and immediately went into street trading at a premium upon the offering price.

Doherty, Easson Company offered 200,000 shares of no par value stock in this Waterloo distillery company at $15 a share. Authorized amount of the issue is 300,000 shares, of which 200,000 shares have now been issued.

A revised balance sheet of the company was issued in connection with the new financing. It showed total assets of $3,154,675. Cash totalled $300,000 and fixed assets $752,309. The principal other asset was the stock of spirits and whiskey on hand, the company having recently been building up this stock for future sale when aged. This is given a valuation of $1,115,120. The only intangible items are $1 for good will and $750,000 for a contract made to purchase a million gallons of whiskey at $2 a gallon, it being figured that the most conservative valuation of this is $2.75 a gallon.

The new company takes over the old Seagram distillery at Waterloo. The Seagrams retain some interest in the company but control has changed hands, resting now, it is understood, with interests associated with the offering of the stock.

200,000 Shares
JOSEPH E. SEAGRAM & SONS

Business—This business was started in 1857 and, with the exception of the years affected by the war, shows a record of uninterrupted success and expansion.

Property and Plant—According to appraisal made by the Canadian Appraisal Company under date November 5th, 1926, the present value of real estate, plant, etc., is $752,309.47.

Products—The company manufactures and distills spirituous liquors and industrial alcohol. The various brands manufactured over a long period of years are highly regarded and bear an enviable reputation both at home and abroad. It is the opinion of the management that the export business to those countries permitting the import of spirituous beverages can be very largely increased.

Earnings—The average net annual earnings over the last seven years before allowing for depreciation and directors' fees, were $446,872.16.

Offered—November, 1926, by Doherty, Eason Company, 21 King St. E., Toronto.

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$500 and $1,000 each
Security
There are $21,895,076 of Assets securing these $4,853,278 Debentures or $4,500 security for each $1,000 of Debentures.
Earnings
The net earnings for the current year are given as $3,500,000 or sufficient to pay the annual interest on these Debentures 15 times over.
Sinking Fund
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Price 96 and interest to yield 6.20%
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Municipal and Provincial Finance

TROUBLE FOLLOWS SLIPSHOD KEEPING OF TOWNS' BOOKS

Accounting on Hit and Miss System Hurts Taxpayers—Affects Sales of Bonds

By J. GEORGE JOHNSTON.

The increasing number of small municipalities which are accumulating large debenture debts directs attention to the failures of omission and commission on the part of many small-town officials, and occasionally of the officials of communities which are not so small. Buyers of debentures report frequent difficulty in arriving at accurate knowledge of the financial condition of the borrowing community. The trouble arises principally because officials are old and are content to do things as they were done a generation ago, when the total turnover in a year was perhaps $10,000 or less, and when there were no such intricate things as debentures, with interest calculated to a nicety, to complicate the bookkeeping. In those days, there were few towns which assessed frontage taxes, grants from outside sources for roadwork were unknown and grants for school purposes were infrequent.

Hit or Miss Accounting

In many municipalities, the accounting system is on the hit-and-miss system. Sometimes the officials know where they are and more often they do not. Sometimes they can tell to within a few dollars the relation of debt to assessment and to population, but more often they cannot. Sometimes they can tell you exactly the condition of the municipal waterworks system, or the other utilities, but sometimes these institutions are operated blindly and no one knows whether or not they are paying.

Some of the provinces provide for a provincial audit of municipal books either by resolution of the council or by petition of ratepayers. But few municipalities take advantage of these facilities, although the cost is comparatively slight and the benefits many. It has been suggested more than once that the legislatures of each province should prescribe a standard system of accounting for the municipalities. Legislating a standardized accounting would imply a regular and perhaps frequent inspection of municipal books by municipal officials to ascertain that the accounting was being done in the prescribed manner.

Protecting Debenture Holders

This is the very least that should be done for the protection of the taxpayers and the protection of the buyers of debentures. It can even be argued that the law should direct that municipal auditing be done regularly by chartered accountants. At first thought it would seem that the cost would be prohibitive. But, as a matter of fact, the expense of auditing by chartered accountants would be worth while if the system were properly organized. The accounting firms easily could maintain a corps of traveling accountants for the work in the rural municipalities and villages and towns of small size, while the larger could be served by younger men under the supervision of district heads.

There are several towns in Canada which find themselves in serious financial difficulties because of careless bookkeeping. In a few instances where it is alleged that officials have been dishonest, the origin of the dishonesty probably lies in slipshod methods of transacting the town's business.

Canadians Buy More Cars For Cash Than Americans

Nearly half of the purchasers of Dodge Brothers cars pay cash, according to R. P. Fohey, treasurer of Dodge Brothers, Inc., after a study of nearly 40,000 recent sales by dealers throughout the United States and Canada.

Company analyzed 39,095 sales of new cars made by dealers over a period of several weeks. It was found that 17,629, or 45.1 per cent., of the buyers paid the full amount when they took delivery. No exact figures are available for the industry as a whole, but the commonly accepted estimate is that only 20 per cent. of motor car buyers pay in full at time of delivery.

"In not a single district throughout the United States and Canada," said Mr. Fohey, "did cash transactions fall below 23 per cent., and in some districts cash sales amounted to more than 65 per cent. of the total. The average reported by Canadian dealers was 51 per cent., or 6 per cent. higher than for the United States."

Vancouver Police Want Compulsory Auto Insurance

Compulsory automobile insurance for personal liability is being urged by the fire and police committee of the city of Vancouver, and a recommendation to that effect is being forwarded to the city council of the western city. The resolution will request that insurance be placed when a motorcycle or automobile is registered. The opinion was expressed that the protection of the public demanded that some such action be taken, and the cost of the insurance should be borne by the government. Since the removal of the speed limit, accidents are about the same numerically but the percentage has been reduced.

THE NATION'S BUSINESS

(Continued from page 1)

plea for complete elimination of the tax on incomes from our scheme of governmental finance. Says the Gazette:

"No other single factor militates so strongly against the commercial and industrial recovery of the Dominion. No other country in the world has such opportunities as Canada has, but complete realization of those opportunities is impossible while the yoke of the income tax remains."

* * *

HERE is the resolution as the Canadian Council of Agriculture passes it, needless to say, unanimously:

Whereas the income tax is a direct personal tax, and is based upon the ability of each citizen to contribute to the expense of government, and should, therefore, be retained as a permanent part of our system of taxation; and whereas the Canadian Council of Agriculture has already affirmed its conviction that reductions in taxations should apply to indirect taxes in preference to the income tax; be it, therefore, resolved that this council oppose by every means in its power any effort to abolish or further reduce the income tax. The council, nevertheless, recognizes the injustice of subjecting any form of income to double taxation, and favors the adoption of measures designed to remove such inequalities in the incidence of the income tax."

* * *

MUCH is being made of Hon. J. A. Robb's assurances in the last election campaign that the income tax would be further reduced in the near future. There is a good deal of confidence in the finance minister, and a feeling that he will see that some further cut is made in the tax applicable to 1926 incomes.

* * *

THE resolution passed by the council on the subject of immigration is of more than passing interest. Most people will agree with their contentions that their prime essential in getting immigration is to establish attractive conditions in Canada, although business men may object to their suggestions that reducing the tariff is one means to that end.

The resolution:

"Be it resolved that the Canadian Council of Agriculture recognizes the desirability of encouraging an adequate flow of selected immigrants, and of retaining within the country the natural increase of its population, but believes that the taxes imposed by the existing tariff, and the necessity for the purchase of land by settlers, often at unreasonable prices, resulting from the exhaustion of available homestead land, create conditions unfavorable to the success of agriculture, especially for new settlers. The council believes that these conditions must be changed before any considerable growth of population can be induced or expected."

* * *

SPEAKING of the migration within the British Empire, the London Morning Post says that "Ottawa spends its time imposing restrictions and Canada House in applying them." Despite the fact that there are only 720,000 agricultural laborers in Britain and most of them not of the migrating type, the Canadian rules are that there must be one farm worker to every four other immigrants.

Recent and prospective mining development in Canada has attracted the attention of the Morning Post, which remarks that the capital and labor in this growing enterprise is American, while there are miners in Great Britain on the verge of starvation. The British government might better spend the dole on steamship passages for husky young immigrants. Probably there would be such a scheme in force already if Canadian officialdom were not maintaining a restrictive policy.

BOND MOVEMENTS OF THE WEEK

Week Ending November 9.

Bonds—	Int. Rate	Due	Yield	Range. 1925 High	Range. 1925 Low	Range, 1926 High	Range, 1926 Low	Ask	Latest Price Bid	High	Low
Asbestos, gen. mtge...	6	1956	6.96	..	..	88	81¾	87½	87	88	85¾
Do.	5	1942	5.23	100	84¼	98	92	..	97½	97½	..
Do., 1st mtge.	6	1941	6.15	..	..	98½	96¼	98½	97½	98½	..
Can. Canners	6	1950	6.24	96½	90	100	94	97½	96¾	97	96½
Can. Cement	6	1929	5.03	103½	100	102¼	100½	102¼	101½	102¼	..
Cons. Felt	6	1940	6.11	98½	97	99	99	..	99¼	99	..
Cedar Rapids	5	1953	5.00	99⅛	97	101½	98⅛	100	99¾	100	99¾
Dom. Coal	5	1940	6.56	90	84	85⅞	84½	85	..	85⅞	85
Montreal Trams. "A"	5	1955	5.45	98	92¼	95	92⅛	93⅝	93¼	93⅝	93
Do., 1st Mtge.	5	1941	5.26	98	97	102½	96½	97¾	97	97¼	..
Quebec Rly.	5	1939	5.56	98	89¾	95	91⅞	95	94½	95	94½
Sao Paulo	6	1929	6.54	95	91	97⅛	95½	97½	96¼	96½	..
Steel of Can.	6	1940	5.21	106	103	107½	106	..	106½	107½	106½
Wayagamack	6	1951	5.94	98¾	84¼	100⅝	91¾	100½	100	100⅝	100¼
War Loan	5	1931	4.75	102.65	101.00	102.40	100.35	101.05	100.80	100.90	100.65
Do.	5	1937	4.64	104.95	103.80	104.65	102.90	103.35	103.10	103.35	103.30
Victory Loan	5½	1927	4.72	103.15	101.70	101.75	100.00	100.95	100.70	100.85	100.45
Do.	5½	1933	4.82	107.00	105.10	106.80	103 65	104.30	104.05	104.65	104.00
Do.	5½	1934	5.00	104.80	103.20	104.10	102.70	103.30	103.10	103.25	103.15
Do.	5½	1937	4.70	110.00	108.15	109.30	106.90	107.45	107 25	107.45	107.35
Do., Renewal	5½	1927	4.95	103.15	101.70	101.75	100.00	100.60	100.35	100.70	100.40
Do.	5½	1932	5.02	104.20	102.60	103.40	102 00	102.65	102.40	102.45	102.15
Do., Refund	5	1928	4.90	104.45	100.15	101.30	99.00	100.25	100.05	100.30	100.05
Do.	4½	1940	4.88	97.25	92.00	96.70	95.60	96.15	59.90	96.20	95.95
Do.	5	1943	4.85	102.95	100.15	102.20	101.15	101.65	101.40	101.70	101.25
Do.	4½	1944	4.83	97.65	96.20	97.15	95.75	96.15	96.00	96.15	96.10
Do.	4½	1946	4.81	.....	......	96.50	95.65	96.15	95.90	96.20	95.75

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In the centre of this district are located the plants of the Quinte and Trent Valley Power Company, Limited, supplying manufacturers of long standing with hydro-electric power.

We recommend the preferred stock of this Company as a sound and desirable investment.

Price: 99 a share and accrued dividend to yield more than 7%.

Descriptive circular on request

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WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVIN CIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Weston, Ont.	Nov.	Wood, Gundy & Co.	5%	20-ins.	$126,015	98 69	5.15
Port Moody, B. C.	Oct.	V. W. Odlum & Co.	5½%	10-yr.	100,000	98.33	5.20

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Stock Issues—	Date issued	Offered by	Rate	Due	Amount	Price	Yield
Quinte Breweries	Nov.	W. H. Thorburn & Co. and Dixie & Mason ..	8%	Pref.	$200,000	10.00	....
Port Alfred Pulp & Paper	Nov.	In London, England	7%	Pref.	2,000,000	98½	....

Alberta Gets C.N.R. To Operate E.D. & B.C.

Full terms of the agreement under which the Canadian National Railways will operate the Edmonton, Dunvegan and British Columbia Railway for its owners, the Alberta Government, have now been made public.

In an official statement, Premier Brownlee, of Alberta, announces that the government will take over and operate the railway, into the Peace River country, commencing November 11. The operating agreement under which the C.P.R. has been operating the road expired on November 10, under the three months' notice given by the government last August.

The announcement is made at the same time that a traffic agreement has been signed by the government with the Canadian National Railways, whereby the C.N.R. will handle all traffic from the E. D. and B. C. and for that line, under which agreement the present freight rates now enjoyed by the residents along the line will be continued. The agreement also provides for the use of the Canadian National Railway depot and terminals for the trains of both the E. D. and B. C. and the A. and G. W. lines. John Callaghan, deputy minister of railways, is named general manager of the road.

Under the new conditions, the Alberta Government is sole owner and operator of the E. D. and B. C. and is in a position at any time to enter negotiations for an outright sale of the road, should it decide to do so. The latest offer of the C.P.R. for a further lease of the line, made only this week, and which was $80,000 better than the last previous offer, was rejected by the government, which was opposed to tying up the line under any further agreement, preferring to remain in a position to be free to negotiate the sale of the road if thought desirable. The premier states in his official announcement that the government has confidence in the railway department's ability to operate the road at an operating profit.

This Week's Bond Sales

WESTON SELLS BONDS

Wood, Gundy & Co., have been awarded an issue of $126,015, 5 per cent. 20-instalment bonds on a bid of 98.69, or equal to a cost basis of 515 per cent The bids were:

Wood, Gundy & Co	98.69
Matthews & Co.	97.75
C. H. Burgess & Co.	97.54
Bell, Gouinlock & Co.	97.51
Dyment, Anderson & Co.	97.35
McLeod, Young, Weir & Co.	97.19

Tenders and By-laws

Nov. 15, Hull, Que.—$136,500, 5 per cent. serial bonds, redeemable from 1931 to 1956. H. Boulay, clerk.

Nov. 15, Buckingham, Que.—$124,900, 5 per cent. serial bonds, redeemable from 1933 to 1955. H. J. Gorman, sec.-treas.

Nov. 15, Petrolea, Ont.—$100,000, 5 per cent. 20-instalment bonds. C. Egan, treas.

Nov. 15, Vancouver—$850,000, 5 per cent., 15 and 40-year bonds. Alternative bids are asked for bonds payable in Canada only, and payable in Canada and United States. A. J. Pilkington, city comptroller. (See announcement on page 16).

Nov. 15, Port Alfred, Que.—$125,000, 5½ per cent. bonds. Alternative bids for bonds payable in 10-year serial, and payable in 10 or 30-year serial. J. H. Bouchard, sec. treas.

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Montreal Tramways	5%	1955
Bell Telephone........	5%	1955
Quebec Power.........	6%	1953
Quebec Ry................	5%	1939
St. Maurice Power	6½%	1953
Montreal Pub. Ser.	5%	1942
Laurentide Power	5½%	1946
Duke-Price Power ..	6%	1966
Manitoba Power ..	5½%	1951

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Preferred Stock, With Conversion Privilege, Already High for 7 Per Cent.

SEE BRIGHT FUTURE

Well-established Concern Keeps Old Directorate — Demand for Its Products Grows

Active trading in Page-Hersey Tubes, Ltd., common and preferred, on the Toronto exchange is the reflection of the favorable position and prospects of the company. This concern was reorganized last July in such a way as to encourage the holding of its securities by outsiders, and among the buyers of its products. The preference shares may be converted into common on the basis of two for one any time up to 1934, and include a voting right.

The reorganization was a financial operation to bring into one company the various plants operated and managed successfully over a term of years. The directors of the new company are the directors of the old company with the added strength in its councils of A. E. Ames, of Toronto and H. J. Fuller, of New York.

7 Per Cent. Stocks at 113

The extremely favorable position of the company is indicated by the fact that the preference shares, a 7 per cent. stock, are finding a ready market at 113 and better, and the common, on which dividends will be paid in the final quarter of this year at the rate of $3 the year, reached a new high of 53 last Saturday in Toronto.

These prices probably, are not unreasonable, discounting the future of this Canadian company. A continuance of the excellent management, a broadening of the scope of the company's business, and a naturally growing demand for its products should within a compartively short time place the shareholders in a fortunate position. It is safe to predict that the earnings will grow.

What Page-Hersey Does

Page-Hersey Tubes, Ltd., are manufacturers of wrought-iron pipe, both buttwelded and lapwelded, mild-steel tubes, steel tubing for oil and gas wells, including pipelines for piping oil and gas, tube joints, sockets, nipples, railway signal tubes, clamps, tubular poles and columns, steel conduits and columns for electrical work, and coils for refrigerators, drying rooms, and so forth. This enumeration of its products is in itself an indication of the future of the company, for modern industrial conditions in a young country demand the extensive use of tubing and conduits.

Besides the domestic business, the company has been building up an export trade under favorable conditions, and now finds a market in nearly every quarter of the globe. In 1917, in order to assure a constant supply of skelp, the company acquired the Cohoes Rolling Mills Co., at Cohoes, N. Y., a concern which has been in operation since 1854. In 1925 a second plant was constructed in Cohoes which has been operating under the name of the Mohawk Conduit Company, specializing in rigid conduits for electrical purposes. Incidentally, it may be mentioned for the benefit of the uninitiated that skelp, the need for which first brought about the Cohoes venture, is "strips of wrought-iron or steel for making hollow cylindrical pieces of tubing by bending it round longitudinally and welding."

Page-Hersey came into existence first in Guelph, Ont., in 1903. It built a plant in Welland, Ont., in 1909, and a second plant in that city in 1912.

As Others See Us

Safety in Utility Securities

Public Service Magazine, Chicago.—Writing in The Financial Post of Toronto, Fraser Ramsey says:

"It is a well established law that the nominal capital of a company shall be a reality; that is, that it shall represent the real value of the assets of the company in cash and property at the time the shares are alloted and issued. In practice, however, this law has been openly ignored or evaded for some time."

On this principle the public utilities' securities of this country take rank as first-class investments. Under our system of state regulation no public utility company may issue new securities until the value represented by the securities is in the company against which to make the issue. Before a state commission authorizes a new issue of securities it makes a survey of the company to determine whether or not it possesses sufficient actual value to justify the possibility of watering stock, of pyramiding bonds, and gives to the investing public a degree of safety which attracts them to this class of securities.

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To MAKE
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will be materially assisted if you send for a very complete and simple form that we have prepared to explain and aid you in performing this important duty.

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Insurance for Buyer and Seller

ANNUITY POLICY GAINS IN FAVOR THROUGH CANADA

Deferred Income Plan Now Leader With Some Companies

For many years the "ordinary life" and the "20-pay life" policies have been the big sellers in the life insurance field, but judging by a recent tendency both in Canada and the United States the so-called "deferred annuity" plan of insurance seems to have taken a new lease of life and bids fair to rival, if not out-distance its more firmly established competitors. The term "deferred annuity" is really a phrase which applies to a form of insurance more commonly used in England than in anywhere else in the world. It simply means the early investment of a portion of one's salary so as to provide for an income in one's old age. Sometimes there is the additional protection of an ordinary life policy as well as the deferred annuity provision, in fact one company has estimated that it is issuing over 60 different kinds of policies under the broad outline of this plan.

There are many reasons given for the recent development of this form of insurance in Canada, and various estimates as to the reason for its recent popularity. One Canadian company which reports that in one territorial division, 30 per cent. of its new business has been along these lines, has given The Financial Post the following explanation. They attribute the recent interest in this form of insurance to the parliamentary discussion regarding government old-age pensions. When this subject was first broached among the politicians, it was cosidered with much enthusiasm by the rural constituents, and when one of the political parties opposed the idea as a part of their platform, the question was thrashed out in every corner of the country. Thus men and women alike had their thoughts turned deliberately to the question of provision for the future. At the psychological moment, enterprising agents brought forward their suggestions in the form of a definite plan for an old-age income and the seed which was sown in politics was reaped in insurance. This same company estimates that their developments along this line have marked one of the greatest movements in insurance in recent years. Thus a plan, once almost exclusively English, is being taken up by a large number of thrifty people, of whom perhaps from 60 per cent. to 75 per cent. are women.

New Attitude Toward Insurance

Another reason that is, perhaps, more fundamental than the political argument, is the fact that many people are assuming a new attitude toward life insurance.

The insurance buyer now wants more than protection for his family in case of death. He realizes that he too may need a dependable income when advancing years make the continuance of his work difficult or impossible. He prefers to eliminate the thought of death when buying his life insurance, and build for an income in his own old age.

There always has been and undoubtedly there always will be, the unselfish appeal of insurance as protection for those who are dependent on you, but now there comes the dual appeal of protection plus the human desire "to reap where one has sown." It seems to be the general opinion that a form of policy that meets these needs cannot help but be popular, because it touches two of the strongest appeals that can be made to a man.

Where Appeal is Strongest

Outside of its general appeal, this type of insurance seems to have a particular appeal to two classes of prospects—a man who might be classed as a poor risk, and the young self-supporting woman who wishes to secure an income for herself when she reaches the age of 50 or 60. The policy will appeal to the man who is a poor risk because it can be obtained without medical examination. For the self-supporting woman the appeal lies in the fact that long life, instead of being a menace, becomes a hope. Each company doing this type of business has its own peculiar type of policy, and as yet there has been no attempt to standardize the type even under a general name. The Canadian field has retirement income policies, pension investment bonds and many other names, all covering a wide range of policies. There are often two plans of insurance—one bearing a cash option at the end of the premium-paying period, and the other the straight annuity payment commencing at the age of 50, 55, 60 or 65, according to the original plan. The practice seems to be to have the policies on a participating basis.

The future of this type of policy, even in a young country like Canada, seems assured, according to the men who has been experimenting along these lines. The fundamental idea behind the plan is considered to be sound and to strike at the very heart of things, so that its development in the future should be well worth watching.

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MANY USES FOR INSURANCE SEEN IN PROGRAMMING

But "Ideal" Amount of Life Insurance May Seem Much

Have you ever analyzed your life insurance policies in the light of the dozen or more needs which life insurance plants do fill? This query may sound like the opening shot in an agents' sales campaign, but taken in view of the modern tendency to "program" a prospect's needs, the question becomes one of no little importance to the man who gives some thought to the amount and variety of his life insurance. Just as the "proposal" idea has found great favor in industrial salesmanship, so "programming"—whereby an agent determines his clients' needs, and submits an insurance plan to fit them—has grown enormously in the last few years, bringing new responsibilities to both prospect and agent alike.

In theory, the policyholder and prospect should, with the agent's help, determine his needs and provide for all of them in order to have complete insurance protection. In practice the agent usually submits his program, and the prospect provides for perhaps one or two of his needs according to which he considers are most pressing. One of the largest companies on the continent, in order to help their agents in planning an ideal program, have submitted some suggestions which will probably surprise the average man who considers that he has ample insurance protection. The program appears to be exhaustive and complete, and is planned to fill the needs of the prosperous business man. Here then is the "ideal."

An Ideal Program for a Prosperous Business Man

I. Individual Insurance for the Insured's Protection.

1. A policy to pay inheritance and income taxes, and to furnish executors with ready money.
2. Policies to protect mortgaged city and country homes.
3. Insurance to offset possible shrinkage in the value of assets.
4. A channel for investing surplus funds, so as not to have everything invested in business, real estate, or stocks and bonds.
5. Insurance to provide an income for the insured's declining years.

II. Individual Insurance to Protect Others.

6. A life income policy for wife.
7. A life income policy for each child, and each grandchild.
8. An educational policy for each child.
9. Child's endowments to start each son in business, and provide a marriage portion for each daughter.
10. Survivorship annuities for parents, old servants, relatives and dependents.

III. Business Insurance.

11. Partnership or corporation insurance.
   (a) For the general protection of the organization.
   (b) Special policies to protect undeveloped enterprises or to strengthen and extend credit.
   (c) Policies to protect outstanding notes, securities pledged as collateral for loans, etc.
   (d) Policies to protect mortgaged office buildings.
   (e) Insurance to provide sinking funds to meet future obligations.

IV. For Philanthropic Objects.

12. Insurance to endow a hospital, asylum, church, college, school, library, art museum, or a group of charitable or educational enterprises.

Rockwell Will Lecture to Canadian Underwriters

Life-insurance salesmanship will form the basis of a course of lectures by Dr. C. J. Rockwell, which will be given in ten Canadian cities during January and February, 1927. Starting at Toronto on January 3, Dr. Rockwell will cover every branch of insurance salesmanship, and will discuss the whole question under nine different headings. He will visit Ottawa, St. John, Halifax, Montreal, Hamilton, London, Winnipeg, Edmonton, and Vancouver.

Dr. Rockwell, whose name is a familiar one in the realm of life insurance, was originally assistant superintendent and secretary of the Edward A. Wood's Co., of Pittsburgh. He left the agency field and became director of the school of life insurance salesmanship at Carnegie Institute of Technology. In 1925 he resigned and established the Rockwell school of life insurance which has provided a standard course of training for the benefit of those who are unable to make the journey to Pittsburgh. Dr. Rockwell's books and materials are in use in schools throughout all parts of the world—in England, Belgium, Italy, South Africa, India, Australia, South America, China and Japan, from some of which countries students have come to take his course of study.

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TOTAL BENEFITS
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British Columbia Timber Shipments Ahead by 36 P.C.

British Columbia shipments of lumber during the first nine months of 1926 totalled 545,814,229 feet, a gain of 36 per cent. over the corresponding period in 1925. Washington scored a gain of 25 per cent. in the first nine months of the year, shipping 2,717,798,659 feet. Oregon shipped 990,773,438 feet, an increase of 9.4 per cent. over the total in the first nine months of 1925.

WHAT WILL YOU LEAVE
YOUR DEPENDENTS?

It is stated that the proceeds of Life Insurance constitute 81% of all property left by persons in the United States. In Canada the proportion is probably about the same.

Your dependents have 19 chances in 100 of inheriting any property—outside of your life insurance.

Canadians took out over seventy millions of dollars in life assurance during 1925, in the Sun Life Assurance Company of Canada, against the above contingency in the case of their families.

Were your dependents among those so protected?

SUN LIFE ASSURANCE COMPANY
OF CANADA
Head Office: Montreal

Security for
Credit
Managers

The credit department of a modern mercantile concern shoulders financial responsibilities equivalent to those of a bank—but without the security that protects the latter.

Credit Insurance

furnishes just such security. It not only insures the credit man's house against abnormal, unforeseen credit losses, but it insures the credit man himself against risks and unpreventable mishaps, and constantly strengthens his standing as a credit executive. It works hand in hand with him, too, in preventing losses.

The Credit Manager of the Jacob Dold Packing Co., Buffalo, N. Y., writes us: "We have always been believers in every form of protection surrounding the capital invested in our business—including Credit Insurance. We adopted your economic service 22 years ago and have carried it continuously since."

Full details of this service, including our collateral Collection facilities, furnished on request to Credit Managers of Manufacturers and Jobbers.

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531

BANKS PAY WELL THOSE WHO PROVE THEIR ABILITIES

Another Contribution to Discussion of Bank Salaries

The problem of bank salaries has many angles. It is easy to say that the banks should pay more, but that does not touch the great question of value. What are the services of a particular man worth? Much of the work in a bank is mere routine which, while it can be handled more satisfactorily by a man with brains, can also be gotten through by others of lesser mental equipment, provide the one in charge of the work knows how to handle them. He is the one who is entitled to, the rewards, while the rank and file must be satisfied with average pay until they can demonstrate their fitness for directing others. This is in reality the period of training, and, generally speaking, there are few businesses where the pay of men during this training period averages any better than in the banks. In the professions like law and medicine the candidate not only has to work hard, but must rely on his family to supply his material wants until he is in a position to branch out on his own.

In these professions, as in banking, some make rapid progress, and some stagnate, while others are glad to take subordinate positions with others in their line of work.

Usually is Paid Worth

It is the same with the bank. If, at the end of this training, the bank man gives evidence that he not only knows his job, but can direct others, it is very seldom that he misses adequate recognition. If he is of the ordinary unambitious type, and his mental equipment does not fit him for more than a mere routine post, it is hard to see how or why it should be incumbent on a bank to pay more than the current rate for such services as he can render. No other business organization will, and Henry Ford is reported to have put it very bluntly, that the world does not pay for sweat, but for results. This is the system in many American banks, who handle their staffs on principles very like those in a manufacturing plant, where they increase their working force as business requires, and lay them off when the work slackens, depending on their foremen and superintendents to maintain the standard of output. Canadian banks, however, handle their staffs more according to the system in English banks, where labor turnover is made as small as possible, but under this system it is the volume of work per man that varies with the season. Under the system in some large American banks, it is the staff which varies, as numbers of young men from Canada have discovered.

It is one of those questions as old as time, but which is constantly in process of solution and never solved. what to do with that mass of men who can never hope to reach a high place in their professions, so that they can command their share of the fruits of their labor.

N.S.F. — New Version

L. M. Hart, manager, Hillhurst branch, Calgary, sends in the following to the Royal Bank Monthly:

Rastus had an account in a bank operated by colored people in Birmingham, Ala. He was up in the north and, entering a bank, presented his personal cheque to the cashier. The cashier, taking the usual precaution, told Rastus the cheque would have to be sent for collection and advised him to call again in a few days. The expected happened. Back came the cheque with a yellow slip attached—"N.S.F." When Rastus called and was informed, he became very indignant and insisted that the cashier send the cheque through again and advise the bank, if it was not paid, he would have the sheriff put in charge of the bank.

In due course back came a letter from the Birmingham bank, very apologetic, and containing their New York draft for $300; also the following postscript:

"When us put on the yellow slip fixed to the cheque 'N.S.F.' us does not mean that the customer ain't got the money in the bank, us means we ain't."

Banks as Educators

"Many a non-Britisher in the West has picked up volumes of good Canadianism through his necessary trafficking at the banks," remarks the Edmonton Journal in comment on a recent article in The Financial Post.

Says the Journal:

A correspondent of The Financial Post, writing from Manitoba, throws out the suggestion that among the factors making for better citizenship and the quicker assimilation of new Canadians are the banks. The necessity of doing business with these institutions and of doing it in a certain way, following the prescribed business methods of common practice, are helping to educate these newcomers, he says, and to create in them a confidence that they might otherwise be slow in acquiring.

"There is undoubtedly something in it," he continued. "The immigrant settler who undertakes to run a place of his own and to enter into business relations with his neighbors, and with the markets of the country, very soon finds it necessary to deal, in a larger or smaller way, with the local bank, and there he is initiated into the methods of advanced business practice. At the country stores he learned his first lessons in Canadian trading; the bank carries him one step farther.

"It may be that the educational value of the bank as a community institution has not been fully recognized heretofore, but obviously its customers do not do business with it without developing some measure of system, promptness and efficiency in matters financial. Many a non-Britisher in the West has picked up volumes of good Canadianism through his necessary trafficking at the banks.

"This, too, may be said for the banks, that they have had some force as moral influences also. With all the rest that a man may learn in doing business with them, he will learn not only that honesty is good policy, but that the whole economic life of the country is a good lesson to be learned, from whatever source."

Few Bank Branches Opened in October

Reports from the various Canadian chartered banks show that during the month of October five new branches were opened and five branches closed. Following is a list of the branches opened and closed during the month:

OPENED

Commerce—Kirkland Lake, Ont.; Jane and Annette Sts., Toronto.
Montreal—Armley, Sask. (sub. to Tisdale).
Nova Scotia—Codette, Sask.
Toronto—Luella, Sask.

CLOSED

Imperial—Hudson, Ont.
Montreal—Pierreville, Que.
Provinciale—Georgetown, P.E.I. (sub. agency to Charlottetown).
Royal—Cheticamp, N.S.
Toronto—Hudson, Ont.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES	Nov. 5-1925	Nov. 4-1926
Halifax	$ 3,295,481	$ 3,214,635
St. John	3,290,783	2,963,345
Moncton	913,012	768,506
Quebec	7,952,613	8,325,440
Sherbrooke	954,179	913,768
Montreal	153,309,642	158,907,379
Ottawa	8,847,613	8,542,870
Kingston	807,450	924,970
Peterboro	861,548	911,753
Toronto	155,178,309	120,850,990
Hamilton	5,583,432	5,774,378
Brantford	1,122,509	1,130,056
London	3,268,423	3,256,565
Chatham	....	469,915
Kitchener	1,006,687	1,195,488
Sarnia	....	838,158
Windsor	4,143,620	4,020,493
Total, East	350,540,301	323,008,659

WESTERN CITIES	Nov. 5-1925	Nov. 4-1926
Winnipeg	$77,966,469	$78,065,115
Brandon	842,760	809,594
Regina	7,605,775	7,011,921
Moose Jaw	1,706,255	1,852,894
Saskatoon	2,770,384	2,838,115
Lethbridge	591,835	907,938
Calgary	7,396,171	11,174,349
Edmonton	5,223,575	6,230,421
Medicine Hat	429,492	495,724
New Westminster	812,753	753,530
Vancouver	18,163,416	22,232,502
Victoria	2,263,511	2,289,372
Fort William	1,232,308	1,099,256
Total, West	127,014,502	135,946,731

Staff Gossip

Allison Noble, formerly of the Standard Bank here, has been permanently transferred to the Alton branch as teller.—Banner, Aurora.

* * *

J. N. Taylor, who relieved as manager at the local branch of the Bank of Montreal during the absence of E. O. Finlaison, has left for Vancouver to resume his regular duties in the department of the superintendent.—News, Dawson City.

* * *

Percy A. Curry, manager of the Royal Bank of Canada, at Windsor, N.S., has received notification of his transfer to Pictou, as manager.

Mr. Curry, who is a native of Windsor, commenced his banking career here with the old Commercial Bank of Windsor, which was afterwards amalgamated with the Union Bank of Halifax, which in turn was absorbed by the Royal Bank in 1910. He was transferred to Windsor, in 1921, from Pictou, where he had previously been manager for a number of years.—Halifax Chronicle.

C. H. Harris, manager of the Bank of Montreal, Wallaceburg, was a guest at the dinner at the Prince Edward Hotel, Windsor, recently, given by D. R. Clarke, assistant general manager of Bank of Montreal, Montreal, and head office officials accompanied him on the occasion. Major Norsworthy, superintendent of Ontario branches, Toronto; W. L. Creighton, of Montreal, and Mr. McFadden, Toronto, were among the prominent guests.—News, Wallaceburg.

SASKATCHEWAN

Saskatchewan's Dominant Dailies, together with Saskatchewan's only Farm Magazine, give Maximum concentration, tremendous buying power and complete coverage in this Great Market at an unusually low outlay.

Nearly **Two Billions** of **Agricultural Wealth!**

IN 1925 the Agricultural wealth of the Province of Saskatchewan was officially set down as **$1,826,833,000**—second only in Canada to the Province of Ontario.

This great accumulation of funds is in the hands of over 800,000 people. Their numbers are being increased daily and the sum named above has received a big increment from the growing season of 1926 and from fresh importations in cash, livestock and effects.

There is no merchandising system anywhere that wields a greater influence on the purse-strings of a population blessed with abundance than Saskatchewan's Great Daily Newspapers, together with Saskatchewan's Only Magazine.

Regina Leader-Post, Saskatoon Phoenix-Star and Saskatchewan Farmer have a combined certified circulation over 85,000. Their weight and selling force is wholly concentrated on the Province of Saskatchewan.

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Return of the Chartered Banks of the Dominion of Canada, September 30, 1926

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notesheld	Greatest amount notes in circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	43,439,168	31,376,488	....	3,973,781	143,333,199	375,733,842	80,134,340	2,269,684	1,361,747	5,103,107	577,750	11,314,666	779,680	26,700	29,916,700	29,916,700	759,257,558	31,175,000	12	1,857,333	25,224,860	49,389,824	46,749,978
Nova Scotia	14,384,939	1,222,124	....	732,753	31,481,564	118,769,184	34,640,259	1,853,178	220,839	1,248,190	478,858	6,616,157	172,403	387,892	19,500,000	10,000,000	241,608,346	15,000,000	16	1,329,942	9,256,221	9,312,386	15,293,073
Toronto	7,557,348	356,350	....	94,479	28,836,411	54,342,462	....	1,091,785	196,515	1,255,968	2,052,251	1,601,991	217,648	3,473	7,000,000	5,000,000	109,606,685	10,000,000	12	584,617	438,567	5,143,039	7,860,220
Provinciale	4,132,623	141,065	....	320,522	5,389,175	31,678,388	....	2,825	....	13,240	....	4,910	15,199	7,273	1,500,000	3,959,351	47,164,574	5,000,000	9	....	191,628	282,215	4,488,888
Commerce	26,675,188	10,192,796	3,000,000	3,828,174	114,552,070	217,650,875	40,440,365	251,523	6,937,681	8,386,891	1,883,715	15,465,678	....	19,225	20,000,000	20,000,000	489,284,186	25,000,000	12	4,748,609	17,237,000	15,822,000	27,318,736
Royal	36,693,312	5,010,289	10,000,000	4,879,507	135,058,123	275,406,311	168,056,150	1,244,915	969,138	15,536,969	7,199,927	31,714,300	40,666	52,957	24,400,000	24,400,000	740,662,570	30,000,000	12	2,273,022	11,353,023	16,712,646	38,560,625
Dominion	7,118,906	1,329,774	3,500,000	102,580	30,027,353	61,043,080	1,811,911	1,244,156	90,409	1,397,742	190,212	3,685,745	616,705	181,380	7,000,000	6,000,000	125,339,957	10,000,000	12	718,478	2,144,000	4,894,000	7,866,410
Standard	6,023,440	415,137	2,300,000	130,425	19,111,986	49,708,133	....	1,334,968	444,244	853,587	....	292,595	147,731	2,495	2,900,000	4,823,400	88,488,146	5,000,000	12	354,675	577,140	3,004,730	6,261,985
Nationale	11,492,604	967,362	....	1,325,630	20,348,335	85,033,043	1,172,096	1,585	123,039	613,635	....	825,065	....	4,236	5,500,000	5,500,000	132,906,634	10,000,000	10	126,840	832,145	1,910,511	12,337,744
Imperial	9,714,128	1,122,409	....	2,405,201	28,231,633	64,349,713	....	1,071,280	48,192	289,702	....	597,903	....	1,384	7,500,000	7,000,000	122,331,548	10,000,000	12	549,785	995,796	6,193,858	10,605,353
Weyburn Security	777,165	89,563	....	32,937	2,045,255	2,180,735	....	....	....	20,126	....	....	....	13,114	225,000	524,560	5,908,957	1,000,000	5	95,925	22,077	61,692	799,410
Total	168,008,821	52,223,357	18,800,000	17,825,989	558,415,604	1,335,895,766	326,255,121	10,365,899	10,391,804	34,719,157	12,382,713	72,119,010	1,890,032	700,129	125,441,700	117,124,011	2,862,559,161	152,175,000	......	12,639,226	68,272,457	112,726,901	179,142,422

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	25,667,469	52,333,044	3,153,349	1,195,779	22,751,227	144,360	21,544,959	88,006,839	27,696,761	2,833,348	14,148,871	146,290,261	234,915,045	52,183,289	21,415,157	2,596,795	940,988	1,183,448	11,950,000	11,314,666	1,420,787	19,000,000	1,405,493	420,744	764,512,689
Nova Scotia	9,265,015	8,764,983	887,086	2,074,546	9,022,159	....	2,658,894	30,820,587	10,886,141	15,256,718	17,266,419	15,928,261	75,686,391	18,125,302	6,061,266	391,062	56,012	112,229	7,192,328	6,616,157	484,391	5,500,000	....	191,684	243,247,644
Toronto	458,138	5,490,197	414,065	176,077	5,229,542	....	1,508,647	19,883,677	4,745,064	3,080,325	6,900,948	....	51,092,182	....	3,242,777	168,425	....	210,213	3,519,391	1,601,991	256,775	3,055,866	....	....	111,034,310
Provinciale	191,749	331,612	559,795	132,304	1,373,942	2,207,021	261,020	4,866,929	1,272,722	3,992,058	11,441,034	....	15,522,830	....	1,984,570	142,482	447,050	105,894	1,824,833	4,910	158,400	550,000	....	210,239	47,581,403
Commerce	10,429,522	14,582,778	1,987,705	1,627,762	16,721,852	....	16,654,489	55,825,604	24,996,307	9,123,725	29,304,248	28,911,924	177,688,159	36,274,891	24,871,041	2,503,998	2,258,323	958,677	11,968,860	15,465,678	1,000,000	9,500,000	1,789,223	329,144	494,773,917
Royal†	11,767,559	22,958,228	3,475,170	15,793,471	28,448,147	401	21,309,989	76,617,021	26,489,704	19,114,910	28,314,394	60,736,104	192,837,991	157,946,650	8,527,290	2,607,960	2,233,087	1,363,877	14,375,405	31,714,300	1,245,000	14,000,000	2,646,961	480,937	745,004,567
Dominion	2,165,644	6,004,622	819,360	219,157	5,601,173	248	1,447,384	18,149,523	4,837,717	2,341,299	8,073,299	2,797,415	59,907,556	1,235,503	1,115,562	329,281	38,001	40,542	5,911,407	3,685,745	312,325	1,200,000	....	254,778	126,487,551
Standard	581,856	3,104,304	458,801	91,542	4,544,785	....	682,637	12,065,101	3,379,708	3,135,146	10,832,507	....	40,831,308	....	2,816,048	573,914	314,401	262,452	3,725,693	292,595	250,000	1,200,000	....	107,979	89,250,785
Can. Nationale§	940,951	2,306,835	1,269,760	299,145	4,150,308	289,842	911,510	20,717,424	11,877,923	1,898,083	6,868,988	2,000,000	57,881,029	1,084,451	6,597,278	181,551	1,061,449	1,010,956	5,531,406	825,065	281,035	6,200,000	....	195,970	134,380,969
Imperial	997,954	6,130,487	850,413	310,057	6,101,933	806,312	1,880,333	16,581,109	6,028,700	61,693	8,687,195	4,100,000	50,859,080	....	8,947,935	435,894	732,339	543,705	5,018,991	597,903	330,239	4,004,466	....	481,780	124,488,529
Weyburn Security	25,309	60,011	36,135	4,016	84,488	737,973	106,841	661,580	9,314	314,441	....	....	2,667,954	1,681	112,906	73,517	191,567	110,658	243,720	....	27,532	400,000	....	75,056	5,944,706
Total	62,491,166	122,067,101	13,911,639	21,923,856	104,029,556	4,186,157	68,966,703	344,195,394	22,220,061	61,151,746	141,837,903	260,763,965	959,889,525	266,851,767	85,691,830	10,004,879	8,273,217	5,902,651	71,262,034	72,119,010	5,766,484	64,610,332	5,841,677	2,748,311	2,886,707,070

**Of this deposit, $26,910,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank in Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, NOVEMBER 5, 1926.

SOME INDUSTRIES NOW ARE BEHIND POSITION IN 1919

Shown by New Index Worked Out by Prof. H. Michell

"Index numbers," so-called, are still the game of the profession economist in Canada. The average business man has not given them the practical application to his business that has been accorded them in the United State. Those who work them out are crying in the wilderness of disinterest.

Nevertheless, Prof. H. Michell, of McMaster University, Toronto, carries on his efforts to produce a standard by which to gauge the volume of production in Canada and has improved upon his previous efforts to the extent of having produced a record based upon such a representative group of Canadian productive industries, that it must be accepted as a close approximation of the actual trend of productive activity in the country.

New Peak Now Attained

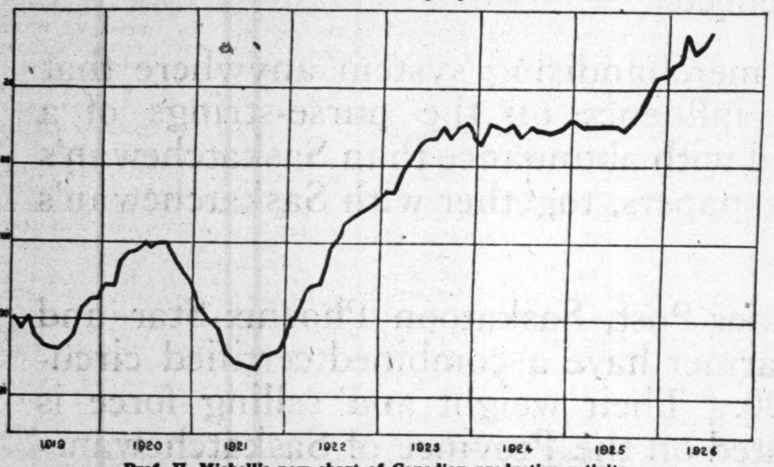
Professor Michell's index shows the physical volume of production in Canada to have attained a remarkable peak this year. Physical production, it may be said, represents exactly what it says. Money values do not enter into the calculations at all.

The chart as published in Industrial Canada, to which the professor contributes his new study, is reproduced herewith.

An interesting fact brought out is that the increase in the volume of production in Canada in the seven years from June, 1919, to June, 1926, has reached the amazing figure of 50%. The set-back of 1920-21 is proven to have been severe but of short duration. Nevertheless, study of individual industries shows some industries to be actually behind 1919 figures at the present time. Two, for instance, that have gone back are iron and steel and the woollen industry. It is, the Professor records, the amazing leap up of such industries as those connected with pulp and paper and automobiles that have brought the total production in Canada to such a high level.

These points are more clearly brought out in the table immediately below. This table shows the latest index of productivity in a group of Canadian industries. The figures are expressed in averages of the monthly production from 1919 to 1923 and are for the month of June this year, the latest for which all are available.

	June 1926
Automobiles	200
Pig iron and steel	89
Planks and boards	122
Shingles	109
Petroleum	152
Cotton	128
Wool	90
Rubber	184
Tubes and casings	211
Newsprint	194
Pulp	143
Cattle slaughtered	113
Wheat flour	137
Corn	86
Oats	127
Sugar	121
Eggs in storage	115
Butter in storage	86
Cheese in storage	186
Milk in storage	89
Coal	96
Footwear	112
Tobacco (all)	109



Prof. H. Michell's new chart of Canadian productive activity.

Power Line Installed In Shining Tree Camp

Algonquin Mines, West Shining Tree, has met with considerable encouragement in development work carried on the past three months. Mine manager Walter Knox is now constructing permanent camp buildings on the property, and will carry on during the winter.

No. 8 vein discovered recently has been traced for over 200 ft., and some highly mineralized samples have been taken.

Power is being installed near White Rock property, close to Algonquin and will facilitate the development in West Shining Tree mining area.

Implement Factories Busy

The agricultural implement industry, commencing the production of machines for next season, is operating on very heavy production schedules. At the Brantford plant of the Massey-Harris Co., there are now 1,100 men employed, the heaviest pay-roll in years, and both day and night shifts are required to keep up with the work.

Canadian Paperboard Company, Limited

FINANCIAL STATEMENT
For Nine Months' Period Ending March 31, 1926

ASSETS

Land, Buildings, Machinery, Water Rights, Furniture and Equipment	$2,180,464.13	
Less: Reserve for Depreciation	324,590.10	
		$1,855,874.08
Inventories	$ 266,268.06	
Accounts and Bills Receivable less Reserve of $10,000	143,727.91	
Cash	87,672.27	
		497,668.24
Loans and Advances to Other Companies		55,989.20
Loans and Advances to Shareholders		10,114.29
Investments in Shares of Other Companies		521,088.63
Prepaid Charges and Bond and Share Discount and Expenses		122,170.13
Goodwill		319,351.95
		$3,382,256.47

LIABILITIES

Capital Stock—Authorized $5,000,000:—			
Issued—Common		$2,100,500.00	
7% Cumulative Preference		300,000.00	
			$2,400,500.00
Profit and Loss Account			89,899.29
First Mortgage 7% Fifteen Year Bonds:— Authorized $1,500,000.00			
Issued	$800,000.00		
Less: Redeemed by Sinking Fund and cancelled	90,000.00		
		$ 710,000.00	
Less: Treasury Bonds available for sale		14,700.00	
			695,300.00
Accounts Payable		$ 185,939.60	
Dominion Government Taxes		10,617.58	
			196,557.18
			$3,382,256.47

CONTINGENT LIABILITIES:—
Customers' Paper Discounted, $89,454.22.
Completion of Construction Montreal Steam Plant.

PROFIT AND LOSS ACCOUNT
For Nine Months Ending March 31st, 1926

Sales			$1,199,976.20
Sales to Company's own Mills			41,318.79
			$1,241,294.99
Cost of Goods Sold, exclusive of depreciation for Period			1,050,245.92
Gross Profit			$ 191,049.07
Discounts, Rents, Interest, etc., receivable			16,404.35
			$207,453.42
DEDUCT: Salaries and Expenses of Directors, Clerical Staff and Travellers		$ 49,953.58	
Sundry Expenses, Discount, etc.		27,510.59	
			77,464.17
Net Profit for Period before providing for Depreciation, Bond Interest and Discount and Income War Tax			$ 129,989.25
DEDUCT: Bond Interest		$ 36,971.88	
Bond Discount and Expense		6,046.91	
Provision for Income War Tax for Period		4,959.04	
Depreciation		30,000.00	
			77,977.83
Net Profit for Period			$ 52,011.42
Balance at Credit June 30th, 1925		$ 81,558.69	
DEDUCT: Proportion of additional power bill for year 1925	$1,660.82		
Dividend of 2% declared 22nd Sept., 1925	42,010.00		
		43,670.82	
			37,887.87
Balance at Credit 31st March, 1926			$ 89,899.29

AUDITORS' CERTIFICATE

Audited and found correct, subject to our report of this date.

CLARKSON, GORDON & DILWORTH,
Chartered Accountants.

DUPRAT WATCHED BECAUSE OF FIND ON CONS. SMELTERS

Several Properties Have Important Outlook in This Area

Duprat Mines has been attracting considerable market attention of late. It has 700 acres and occupies a most unique position in Northwestern Quebec. The property immediately adjoins and lies between Waite-Montgomery, Amulet, Nipissing and Consolidated Smelters. Results obtained in surface stripping and trenching show that Duprat Mines has properties which may be expected to rank among the producing copper-gold mines.

Jos. C. Houston, M. E., pioneer mining engineer of the north, has recently been engaged to direct the development work of Duprat Mines. Mr. Houston is a member of the American Association of Mining and Metallurgical Engineers, was at one time general superintendent of the Dome Mines in Porcupine.

Important discoveries have recently been made by Consolidated Smelters which adjoins Duprat on the south close to the boundary, while the high grade find made recently by Nipissing is within 50 feet east of the line between these properties. Both of these recently discovered ore bodies appear to enter the Duprat property, where the values are reported to run higher and the lodes more clearly defined. It is Engineer Houston's opinion, after making careful examination, that a very large ore body will be found to exist under the lake, at the southerly end of the south group of properties owned by Duprat Mines. The mineralized area, which is now under development on this property, has been traced for over a length, thus far, of 500 feet and a width of several hundred feet revealed. Development work last year produced ore which when assayed ran 20.72 per cent. copper with approximately $2 in silver and traces of gold to the ton. Development work since then revealed a continuity of values over the entire large area on the south group, the ore becoming more massive in the deeper test pits. Reporting on the properties owned by Duprat Mines. Mr. Houston states officially: "The south property, especially, shows indications of developing ore-bodies of commercial grade in copper, and the geological conditions are similar to those properties where such ore-bodies have already been developed.

"With regard to the north group, there is a big wide Diabase dyke cutting across the property, just north of the north boundary of the south two claims, about the centre of the property. It is from 200 to 250 feet wide, and runs over on to the Waite-Montgomery property to the east. How far west it may carry, I could not ascertain as it is covered to Duprat lake.

"I think that it will be found that the ore-body on the Waite is connected with this dyke, as it is only 1,500 feet south of the ore outcrop which is dipping toward the dyke," continued Mr. Houston. "All the other ore-bodies in this section are found adjacent to similar basic intrusives, and the geological evidence, so far gathered, tends to support the theory that they are genitically connected."

In view of those results it has been decided to push development to depth as rapidly as possible, and with this end in view, arrangements have been completed with the Swedish Electrical Company, with whom a contract has been signed, whereby an electrical survey based upon the latest and most scientific lines is to be made of the company's large property holdings which are so admirably located. Following completion of this electrical survey an extensive program of diamond drilling will be carried out.

FOREIGN EXCHANGE

NEW YORK FUNDS

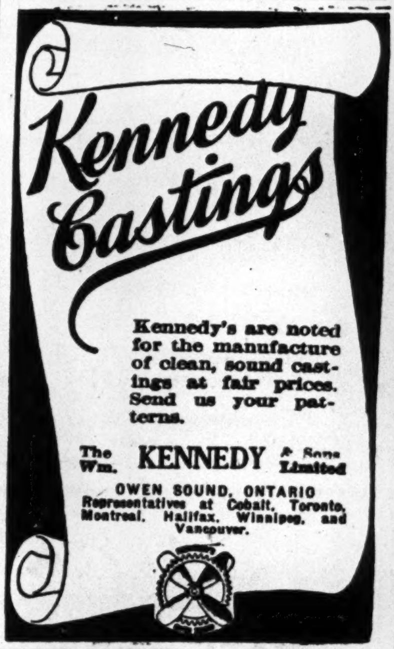
	High	Low	Last Year High	Last Year Low
Nov. 4	1-8	1-8	1-16	5-64
Nov. 5	7-64	1-8	Par	3-64
Nov. 6	1-8	9-64	1-64	Par
Nov. 8	....	....	1-32	3-64
Nov. 9	1-8	9-64	....	....
Nov. 10	5-32	5-32	1-16	5-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Nov. 4	4.84 3/16	3.30	4.28¾
Nov. 5	4.84⅝	3.29¾	4.29¾
Nov. 6	4.84½	3.29¾	4.26¼
Nov. 8	4.84 7/16	3.26¾	4.21¼
Nov. 9	4.84⅝	3.16½	4.17¾
Nov. 10	4.84⅝	3.22	4.16½

FOREIGN EXCHANGE

Par		Nov. 3	Nov. 10
19.30	Italian	4.38½	4.17
32.45	Brazil	13.68	13.31
23.82	German	23.75	23.71
19.30	Belgium	2.78	2.78
84.85	Japan	49.00	49.00



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The Wm. KENNEDY & Sons Limited
OWEN SOUND, ONTARIO
Representatives at Cobalt, Toronto, Montreal, Halifax, Winnipeg, and Vancouver.

MINING STOCK QUOTATIONS
WEEK ENDING NOVEMBER 9

	Par Val., $	Div. Rate	Yield	High wk.	Low for wk.	Nov. 9 Close	Sales for wk.	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low
Amulet	1	...	...	1.33	1.26	1.32	30425	..	..	1.67	.90
Algonquin	1	...	...	4½	3½	3⅛	69000	..	..	5	1¼
Apex	1	...	...	...	...	...	.....	3¾	2	6	3
Area	1	...	...	24	21½	22	47600	..	..	40	21
Argo. Con.	1	...	...	61	58½	59	208475	..	..	07	18½
Atlas	1	...	...	3	2½	3	3000	5	¼	5	1⅝
Baldwin	1	...	...	5	4½	4⅝	69500	7	1⅞	7	1
Barry Holl.	1	...	...	98	88	97	169625	50	18	1.00	22
Beaver	1	...	...	61½	59	60	29450	57	25	94	52
Bellellen L.	1	...	...	21½	21½	21½	3000	..	..	23½	21
Bidgood	1	...	...	9	6⅞	8¾	39250	16¼	4½	10¼	4½
Boston Creek	1	...	...	4½	4	4	11700	9½	4½	7½	2¼
Bourlamaque	1	...	...	1.27	1.24	1.27	26200	..	..	1.27	.66
Buckingham	1	...	...	4	4	4	2000	5¾	2¼	4½	2
Can. Lorrain	1	...	...	62	61	61	4900	80	22	93	45½
Capitol	1	...	...	30⅞	26	27	20900	38	24	50	25
Castle Tre.	1	...	...	1.09	1.04	1.05	32200	1.60	.71	1.85	.91
Chaput H.	1	...	...	9	8	8¼	56000	10	4	31	6
Clifton	1	...	...	1½	1½	1½	1000	26	2	6½	1½
Coniagas	5	...	...	4.30	4.15	4.30	1400	5.00	1.25	4.80	3.00
Coniarum	5	...	...	3.75	3.65	3.75	200	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	2¾	2½	2½	30500	10½	2	25	2½
Cons. Smelters	25	3+3	2.53	237	232	237	3826	1.83½	48½	254½	177¼
C. W. Dome	1	...	...	23½	21	23	119750	25	10½	29½	14
Crown Res.	1	...	...	11¼	10¼	11¼	48100	55	15	24⅛	8
Dome Mines	None	2.00	20.20	10.00	9.40	9.90	4183	18.00	12.90	20.00	8.00
Don Rouyn	.	...	...	43	35	43	9900	..	..	61	25
Dupuy	.	...	...	31½	31½	31½	500	..	..	42	24¾
Duprat	.	...	...	26½	22	25¾	203600	..	..	26½	10
Fiske	.	...	...	14	13½	13½	3000	..	..	16	11
Everett	1	...	...	4½	4¼	4¼	6500	10	4	12¼	4
Goldale	1	...	...	31½	30	30	25800	37	14¾	43	24
Gold Hill	1	...	...	48	45	45½	27133	..	..	73½	25
Gold Reef	1	...	...	....	..	..	.....	2¼	1	5	1
Hill Top	.	...	...	23	22	22	27000	..	..	31¾	21
Hollinger	5	26	6.97	18.75	18.40	18.60	3715	17.50	13.30	19.95	16.65
Indian	1	...	...	5	4¼	5	7000	17¾	3½	14	4
Int. Nickel, c.	None	2.00	5.63	36⅜	35¾	35⅞	2681	..	..	46	33
Jay Copper	.	...	...	78¼	77	78	18800	..	..	78¼	73
Keeley	1	24	15.48	1.57	1.48	1.55	14200	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	14½	13	13½	22750	..	..	22	12
Kirk Hunt.	1	...	...	32	23	28	112000	..	..	34	8½
Kirk. Lake	1	...	...	81½	77	78½	147400	92½	33	1.44	70½
Lake Shore	1	40	2.75	14.75	13.75	14.55	11710	10.00	4.51	15.10	9.60
Lakeside	1	...	...	4	3	4	103100	15¾	2½	10	1⅛
Laval	1	...	...	30	25	29	93700	..	..	44½	21
La Rose	1	...	...	6½	6½	6½	2000	53	7½	38	5
Lorrain	1	...	...	3¼	3⅛	3¼	25500	24	7	15	3
Lorrain T. L.	1	...	...	..	..	..	.....	1.34	.85	1.10	.50
Macassa	1	...	...	35¾	34½	35½	11300	..	..	43	33
McKinley	1	...	...	11½	9	11¼	9000	42½	14½	26	8½
McIntyre	5	20	4.18	24.10	23.90	23.90	1750	22.70	16.00	29.75	22.70
Millcrest	1	...	...	5	4	4	24500	..	..	21	4
Mining Corp.	5	5	9.43	2.75	2.65	2.65	10960	3.40	2.35	4.45	2.60
Moneta	1	...	...	13	12½	12½	4250	18¼	12½	18	11
Montreal Rouyn	1	...	...	45	39	40	15850	..	..	60	9½
Noranda	None	...	...	19.25	18.10	19.00	12136	..	..	19.55	14.20
Newray	1	...	...	..	..	..	.....	44	17	45	31
Night Hawk	1	...	...	4½	4	4	14500	49½	6	17	4
Nipissing	5	12	10.90	6.00	5.50	5.50	3820	6.80	4.60	7.50	5.00
Ophir	1	...	...	..	..	..	...	..	..	4¼	1½
Pete. Lake	1	...	...	9	8	8½	8500	11¼	2¼	10¼	1¾
P. L. Cobalt	1	...	...	26	22½	25½	105850	..	..	32	17
Porc. Crown	1	...	...	6	6	6	5000	8	2	10½	4
Porc. Keora	.	...	...	6½	6½	6½	1000	..	..	14½	3
Pioneer	1	...	...	1.09	1.00	1.06	71600	..	..	1.09	.66
Premier Gold	1	32	16.41	1.98	1.87	1.95	8710	2.58	2.19	2.75	1.90
Preston	1	...	...	7½	7	7¼	16200	12	6½	9⅞	4
Rouyn	.	...	...	5¼	3¾	3¾	104200	..	..	8	1⅞
Rouyn, Que.	.	...	...	3	2	2¾	19000	..	..	4½	1¼
South Keora	1	...	...	14	12	14	24500	..	..	14¾	5
Stadacona	1	...	...	45	44	45	46160	..	..	45	40
Teck Hughes	1	10	2.03	4.95	4.77	4.92	40715	3.00	1.23	5.00	2.64
Timiskaming	1	...	...	8	8	8	1000	30	11½	14	6
Thomp. Krist	1	...	...	1½	1½	1½	1500	..	..	3½	1
Tough Oakes	1	...	...	59⅝	50	59	238120	61	20	65½	36
Towagamac	1	...	...	4.85	3.85	4.55	22850	..	..	4.85	3.15
Vic. Silver	1	...	...	6	5	5	15800	31	5	9½	3½
Vickers	1	...	...	1.02	97	1.02	45050	20½	3	1.02	13
Vipond	1	...	...	1.76	1.58	1.61	31470	1.04	1.01	2.02	1.49
Wakenda	1	...	...	..	..	..	.....	..	..	2¾	1
Wasapika	1	...	...	..	..	..	.....	..	..	3	1
West Tree	1	...	...	..	..	..	.....	5	2	3½	2¼
Wettlaufer	1	...	...	4	3	3	2200	17	3½	10	2½
Wigwam	1	...	...	6	6	6	3000	..	..	32½	4
Wright Har.	1	10+22½	3.87	8.45	8.05	8.40	2150	7.95	4.15	9.60	7.75
West Dome	1	...	...	23	21	21	800	..	..	24	16

Hattie,—A Warning

A year or so ago, Hattie Gold Mines with $5,000,000 capital sold up over 40 cents per share, a valuation on the property of $2,000,000. It crashed, down-down-down. To try and rescue it, $5,000,000 new, half of it 7 per cent. cumulative preferred, was created, or $10,000,000 in all. Now it is reported that the property is for sale and that about $10,000, or one-thousandth of the former capitalization, would take it, and there is no great rush.

Ontario can get along well without such propositions. The present lack of interest in the property shows how much faith the rather attractive board of directors it once boasted of had in the venture that once they sponsored.

New Pulp Mill Half Finished

The new pulp mill of the Thunder Bay Pulp and Paper Company, being constructed at Bare Point, is now half finished and winter will not stop its progress. Dredging is going on for the new dock and the Government is erecting a temporary breakwater.

CANADIAN PACIFIC RAILWAY COMPANY

Dividend Notice

At a meeting of the Board of Directors held to-day a dividend of two and one-half per cent. on the Common Stock for the quarter ended 30th September last was declared from railway revenues and Special Income, payable 31st December next to Shareholders of record at three p.m. on 1st December next.

By order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, 9th November, 1926.

The Royal Bank of Canada

DIVIDEND No. 157 AND BONUS

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, also a bonus of two per cent for the year ending November 30, 1926, and that the same will be payable at the bank and its branches on and after Wednesday, the first day of December next, to shareholders of record at the close of business on the 30th day of October.

By order of the Board,
C. E. NEILL,
General Manager.

Montreal, Que., October 12, 1926.

LOBLAW GROCETERIAS CO. LIMITED

Notice is hereby given that quarterly dividends of 1¾%, being at the rate of 7% per annum, on the prior preference shares of the Company, and 25c. per share on the common shares of the Company, have been declared, payable on December 1st, 1926, to shareholders of record at the close of business on November 16th, 1926. The transfer books will be closed from November 17th to November 30th, both days inclusive.

D. URQUHART,
Secretary.

Toronto, November 3rd, 1926.

International Petroleum Company, Limited

Notice of Dividend No. 12

Notice is hereby given that a dividend of 25c. United States Currency per share has been declared, and that the same will be payable on or after the 15th day of November, 1926, in respect to the shares specified in any Bearer Share Warrants of the Company upon presentation and delivery of coupons No. 12 at the following banks:

The Royal Bank of Canada,
60 Church Street, Toronto 2, Canada.
The Farmers' Loan and Trust Company,
22 William Street, New York, N.Y.
The Farmers' Loan and Trust Company,
15 Cockspur Street, London, S.W. 1, England.

OR

The Offices of the International Petroleum Company, Limited,
56 Church Street, Toronto 2, Canada.

The payment to Shareholders of record at the close of business on the 6th day of November, 1926, and whose shares are represented by registered Certificates will be made by cheque, mailed from the offices of the Company on the 13th day of November, 1926.

The transfer books will be closed from the 8th day of November to the 15th day of November, 1926, inclusive, and no Bearer Share Warrants will be "split" during that period.

By Order of the Board,
J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada,
25th October, 1926.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter. A BONUS of TWO per cent. has also been declared for the year ending 30th October, 1926, both payable on and after WEDNESLAY the FIRST day of DECEMBER next, to Shareholders of record of 30th October, 1926.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 19th October, 1926.

THE CANADIAN BANK OF COMMERCE

Dividend No. 159

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1926, together with a bonus of one per cent. payable at the Bank and its Branches, on and after Wednesday, 1st December next.

The Transfer Books of the Bank will be closed from the 16th November to 30th November next, both days inclusive.

By Order of the Board.
S. H. LOGAN,
General Manager.

Toronto, 15th October, 1926.

The Consumers' Gas Company of Toronto

NOTICE of ANNUAL MEETING

The ANNUAL GENERAL MEETING OF THE SHAREHOLDERS of The Consumers' Gas Company of Toronto, to receive the report of the Directors, for the Election of Directors for the ensuing year and for the transaction of such other business as may properly be transacted at the meeting, will be held in the Company's Auditorium, 55 Adelaide Street East, Toronto, on MONDAY, the 15th DAY OF NOVEMBER, 1926, at 12 o'clock noon.

By Order of the Board,
ARTHUR HEWITT,
General Manager.

Toronto, October 21st, 1926.

DIVIDEND NUMBER 156

Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 2nd day of December, 1926, on which date cheques will be mailed to shareholders of record at the close of business on the 16th day of November, 1926.

Dated the 9th day of November, [illegible]
I. McIVOR,
Assistant Treasurer.

DIVIDEND NOTICE

NO. 74

Imperial Royalties Company announces that the regular Monthly Dividend of one and one-half per cent. (1½%) will be payable on November 30th to shareholders of record of November 25th.

This is Monthly Dividend No. 74 making a total of one hundred and thirty-one and one-half per cent. (131½%) paid to shareholders since organization in April, 1920.

IMPERIAL ROYALTIES COMPANY
By J. E. Horn

K. H. Kompfe & Co.
Toronto and London
Ontario

CITY OF VANCOUVER, B.C.

DEBENTURES FOR SALE

SEALED TENDERS WILL BE RECEIVED by the undersigned up to 2 P.M. on Monday, 15th of November, 1926, for the following City of Vancouver Debentures, dated 1st August, 1926, amounting to $850,000.00.

By-law No.	Amount	Term	Purpose	Maturing
1791	$250,000.00	40 yrs.	Sewers	1st Aug., 1966
1792	50,000.00	40 yrs.	Hospital completion	1st Aug., 1966
1793	350,000.00	15 yrs.	Streets	1st Aug., 1941
1794	200,000.00	15 yrs.	Streets	1st Aug., 1941

All bearing interest at the rate of 5% per annum, payable half-yearly on the first days of February and August.

These Debentures are a direct obligation of the City at large. Provision can be made for registration of principal.

Alternative offers on the basis of interest and principal payable in Canada only, and in Canada and the United States, are asked for.

Parties tendering are required to state the net price for Vancouver payment and delivery of the Securities. If desired delivery will be made elsewhere at the Purchaser's expense.

A certified cheque, payable to the City Treasurer, for $10,000.00 must accompany each tender.

The highest or any tender not necessarily accepted.

A. J. PILKINGTON, City Comptroller.

City Hall, Vancouver, B.C.

Canadian Mining News

THE FINANCIAL POST

Vol. XX. PUBLICATION OFFICE: TORONTO, NOVEMBER 12, 1926 No. 46

Indications Point to Quebec Mineral Boom During Coming Year

Great Deal of New Ground Will Likely be Proven

EXPECTS NEW FINDS

Engineer Points Out Dangers for Public — Says Area Attractive

By **CHAS. SPEARMAN,**
Mining Geologist and Engineer.

The mineral area of Northeastern Quebec has entered upon an era of great activity in development. This condition may be attributed to various causes, chief of which are:

(1) The discovery and development of the coppergold deposits of the Noranda Mines Ltd., whose proven and potential values mark it as a mine of outstanding merit.

(2) The discovery of other mineral deposits at relatively widely separated points within the district, and some of which may develop into important producers.

(3) The commencement of the construction of a smelter on the Noranda Mines, Ltd., property.

(4) The advent of the railway branch from O'Brien on the Canadian National Railways into the established centre of the district, and the contemplated building of other railway branches from this branch, to serve other immediate centres of activity.

(5) The introduction of hydro-electric power into the district from Angliers, Que.

(6)The construction of the wagon road from Makamik, on the Canadian National Railways to Rouyn, Que., and its extension from Rouyn to Lake Fortune and Angliers.

Over Six Townships

A certain amount of activity was present ever since this new mineral area came into prominence about three years ago, but outside of the Noranda development, very little was accomplished until a little over a year ago, when the Amulet, Waite-Montgomery, Chance Syndicate, Pioneer Syndicate (Alderson-MacKay) and later the Nipissing, Coniagas and Consolidated Smelters discoveries, showed the great possibilities of this part of the mineral area, as these discoveries are spread over six townships. On three of the above properties, viz: Noranda, Amulet and Waite-Montgomery, there was considerable development activity. The Noranda carried on an aggressive underground development campaign, while on the Waite-Montgomery and Amulet the development was confined principally to diamond drilling and magnetometer surveys. These three properties now await the functioning of the railway in order to introduce heavy machinery for an enlarged development program. Noranda reports ore reserves of approximately one million tons, which will average about $20 per ton, consisting chiefly of copper, but with fair gold content. This ore was put in sight principally by underground mining work, to the 300 ft. level. In order to reach lower levels and develop laterally as well, a new mining plant with greatly increased capacity has been ordered, and awaits transportation by rail. Mining plants of a substantial nature will also be installed at other properties which have reached that stage of development, as soon as transportation will permit. These mining plants will ultimately settle the question of ore reserves on these different properties, as so far, except for Noranda, the ore estimates are based on the possibe tonnage and values, which may or may not exist.

Will Revive Prospecting

During last winter a steam mining plant was hauled from Dupuy station on the Canadian National Railways, to the Abana Mines, Ltd. property, located about twelve miles north of the railway in Desmeloizes Township. This plant was installed during June and July and put into operation during the latter part of August, and since then a two compartment shaft has been sunk to approximately one hundred feet. Very encouraging results have been encountered on the deposit in this sinking. The ore is of a medium grade copper-zinc type carrying fairly high silver values.

This new era of greater activity will not be confined wholly to development and construction. It will act as an incentive for the revival of prospecting in the mineral area on a large scale heretofore not attempted. Prospecting activity for about the

(Continued on page 29)

FINDING HALF A HORNE WOULD JUSTIFY AGGRESSIVE PROSPECTING GOING ON

"No wonder a showing of sulphides similarily circumstanced geologically is given minute scrutiny.

"Another Horne or even half a Horne would pay for years of diligent prospecting; and that is the thought, whether they realize it or not, that lies uppermost in the minds of the men who are responsible for the expenditure of money in Quebec's copper gold areas.

"Naturally, I knew beforehand that the Horne has large bodies of proven ore; but reading about rich ore is never so persuasive as the knocking off of pieces from the walls with your own pick.

"That is why seeing the Horne is a most satisfying climax to the long journey in."

The above is from an article on N. W. Quebec, by Arthur B. Parsons, assistant editor Engineering and Mining Journal, New York.

SEES BIG MINE POSSIBILITIES IN VOLCANICS BELT

Quebec Engineers Much Taken With 2-mile Area in Duprat

Jos. C. Houston, one of Northern Ontario's pioneer engineers, associated with Dome operation as manager, in the early days, and now consulting engineer for Duprat, Corona, Boischatel Mines and others in the Quebec field, looks for big things to develop for a small belt of old keewatin volcanics that stretches north in a part circle from the Rouyn-Boischatel boundary and passes north through the Waite Montgomery to widen out materially north of the Amulet.

This belt, Mr Houston says, is about two miles wide, and makes Waite-Montgomery, Duprat, Amulet, Consolidated Mining and Smelting, Nipissing and Corona look attractive. The find south of Corona on the Richardson may also be a part of this.

This belt passes between two ridges of granite. There are sheared and diabase intrusives in the belt, and everywhere they have cut through ore has been found. Mr. Houston has an idea that the diabase is the governing factor as there has not been ore found in sections where the diabase is not associated.

QUEBEC TO COMPETE FOR HIGH HONORS IN COPPER OUTPUT

Province at Present Stands Third to Ontario and B.C.

Quebec should soon be in a close race with Ontario first, and perhaps later British Columbia for premier copper production honors. The 1925 production of the Dominion was worth $15,649,882, or 111,450,000 lbs.

A little more than one-third of the year's output is credited to Ontario, obtained mostly from the nickel-copper mattes produced at Sudbury, Ontario; over one-third to the Granby smelter in British Columbia; and the remainder to other British Columbia sources with the exception of a small amount of concentrates shipped from Eustis, Quebec, to United States smelters.

The Quebec ores are low grade cupriferous pyrites, which are concentrated by flotation for the pro-

(Continued on page 25)

Canada Had 52 Quartz Mines Producing Gold in 1925; 42 Developing

Canada's Gold Mine Figures 1925

B. C.		
Placer produced, ozs.		13,181
Placer produced, value		$ 272,475
Yukon		
Placer produced, ozs.		60,156
Placer produced, value		$1,098,259
Auriferous Quartz Mines, 1925		
Operators in Canada	52	
Producers	27	
Developing	42	
	1925	1924
Ont. Operators	36	41
B.C. "	11	11
N.S. "	4	6
Man. "	1	2
Que. "	—	*10
*Reclassified 1925, copper-gold.		
(1925 figures)		
Ores mined, tons		3,646,460
Bullion shipped, ozs.		1,890,101
Bullion, value		$30,825,895
Other recovery		4,275,908
Total		$35,101,803
Capital Employed		
1925		$84,964,062
1924		83,982,765
Salaries—Wages		
1925		$10,600,000
1924		10,500,000
Employees, 1925		7,052
Copper-Gold Mines		
Operators		41
Producers—		
B.C.	8	
Que.	1	
	—	9
Non-Producers—		
B.C.	4	
Que.	28	
	—	32

Keeley Silver in October produced 124,853 ozs. silver, 14,233 lbs. Cobalt.

Production Totalled Nearly 35 Million — Outlook Good

FACTS OF INDUSTRY

Figures Show Tremendous Amount of Funds Engaged in Gold Industry

By **S. J. COOK, B.A.**
Mines Branch, Dominion Bureau of Statistics.

Canada's gold mining industry falls naturally into two main divisions: the winning of placer gold, or the "Alluvial Gold Mining Industry," and the recovery of free-milling gold from auriferous quartz mines, described under the title "The Auriferous Quartz Mining Industry." But in the treatment of ores containing metals other than gold in commercial values, such as copper and silver, gold is often recovered as a by-product; in making up production figures, gold obtained from the treatment of Canadian ores of every kind, is included in the total. Descriptions of these other industries, which do not obtain gold as their main product, are given in other bulletins.

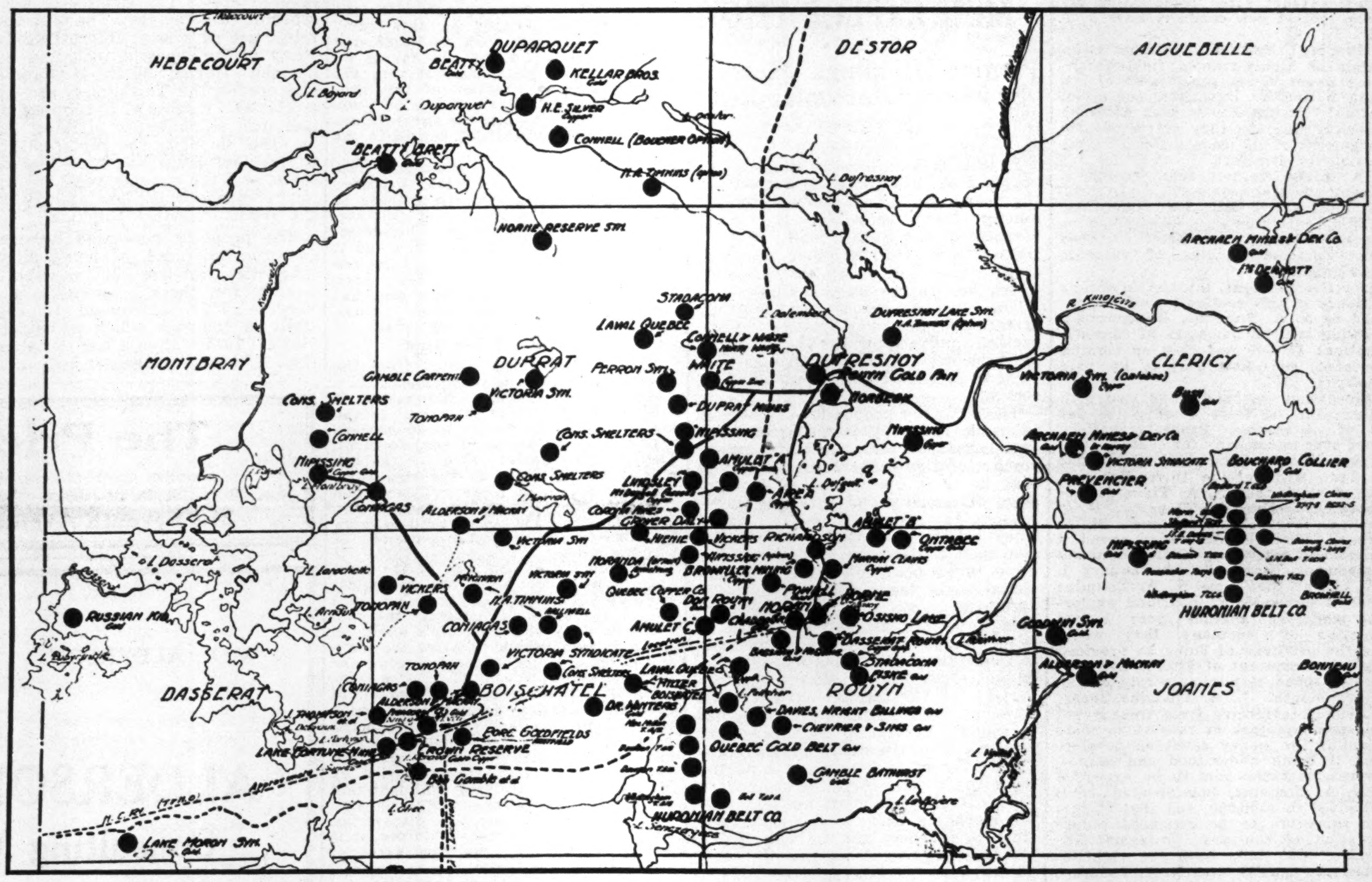
During the early history of the industry in Canada, most of the gold produced was obtained from placer deposits in the province of British Columbia. Later, in 1898, the famous Yukon placers were discovered, and for some time these deposits constituted the principal source of Canada's gold. Recent developments in lode mining, however, have somewhat overshadowed the placer workings; as the placer yields declined, lode gold recoveries increased until now this constitutes the principal source of supply. During the past ten or eleven years the province of Ontario has come to the front as a gold-producer, through the development of the rich gold quartz mines of the Porcupine and Kirkland Lake districts; the output from British Columbia mines has been improving for several years; new fields, particularly in the Rouyn area in Quebec, are being watched closely as the next gold-producing district.

Lode Mining 85 Per Cent. of Total

In 1925, the auriferous quartz mines yielded 85 per cent. of the total production; alluvial deposits provided four per cent.; Canadian

Continued on page 22)

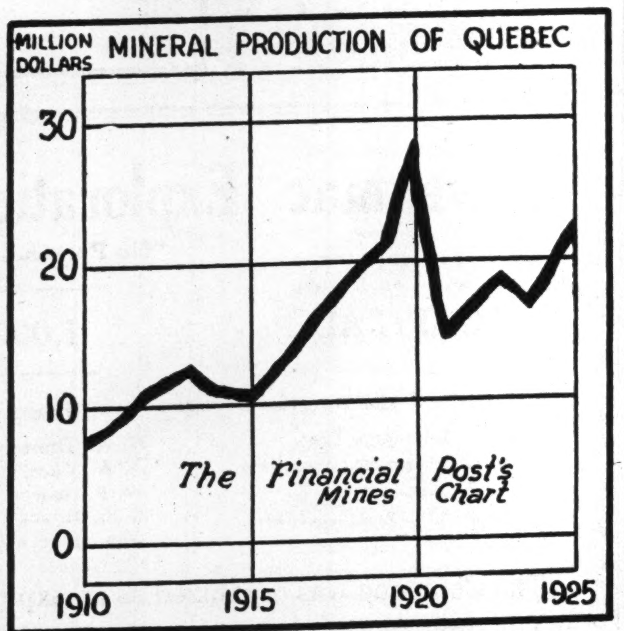
Quebec Copper-Gold Finds and Proposed C.N.R. Branch Lines



The above map has been carefully prepared and is designed to show practically every find of minerals of importance in the Quebec area, with the exception of some isolated finds which are too far removed to be included in this map. The map was prepared by Fred Davies, M.E., formerly of Huronian Belt Co. and now president and in charge of field work for Pontiac Holdings. Mr. Davies has been in the Quebec field almost from its inception and has been on practically every property and examined every find of any importance. While there may have been some finds since the map was prepared, it is, on the whole, substantially correct. This fact is to be remembered, the circles mark the centre of the holdings and do not attempt to show the boundaries or the associations of one property with the other.

Possibility of Many Big Mines in Rouyn

By **DR. H. C. COOKE.**



Not so many years ago, as late indeed, as 1912, it was supposed, and taught, in all the schools and colleges, that the occurrence of large orebodies in the most ancient rocks of Canada was highly improbable. The conclusion, it must be admitted, was sanctioned by all previous experience, and also seemed reasonable theoretically. It had long been known that Northern Ontario, Quebec, and Manitoba were a part of one of the oldest land areas on the surface of the globe. In the earliest dawn of the earth's history, while still the most of North America lay submerged beneath the ocean, this bit of land existed, the nucleus of the great continent of the future. Doubtless veins and orebodies existed then, as all conditions were favorable to their formation; but during the slow passage of the endless ages the inexorable forces of nature gradually wore down the old land, carrying the debris to the sea to build up the rocks now found on the south and west. Measurements show the old surfaces were thus lowered by tens of thousands of feet; and it therefore seemed natural to conclude that of the possible former orebodies nothing could remain but little ramifying roots, of scientific interest but of no commercial value.

Up to 1911, fact supported theory very closely, and all the discoveries in the oldest rocks were narrow, branching aggregates, some of which could be mined in a small way, but none of which was of large commercial importance. The discovery of Porcupine, however, and soon after of Kirkland Lake, demonstrated conclusively that some large deposits still existed and prospecting accordingly was vigorously stimulated. The results, it must be admitted, have been rather disappointing, for although many places have been found where gold ores exist, most of the bodies so discovered have proved small, and little gold has actually been produced outside of the original Porcupine and Kirkland Lake areas.

The discovery of the Horne in 1923, however, has not only opened up a new producing district, but also new possibilities; for whereas nothing but gold was previously sought, it is now evident that copper will prove an important and valuable asset.

The rocks in which the ores occur are a series of lava flows poured out for the most part not from volcanoes but from long fissures in the earth's crust. The total thickness of these flows is very great, two or three miles at the least; and up to the present time no one has ever found any remnant of the ancient surface on which they were poured out, so that they constitute the oldest known rocks on the continent. After the lavas were cooled and consolidated there were further periods of igneous activity, during which molten rock rose from the heated interior of the earth, but not sufficient far to reach the surface. Such masses are known technically as intrusions, and their existence is recognized because during the long ages that have passed since their formation the rocky cover beneath which they solidified has been gradually worn away, so that they now appear at the surface. These intrusions brought in the ores. Everyone who has seen a volcano in eruption has observed the vast cloud of steam that overhangs the crater, has smelt the sulphurous gases that are given off, and has noted the hot mineral-bearing springs that appear in the vicinity. It is evident that the steam

(Continued on page 18)

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Towagmac is Looking Attractive; Ranks High in Copper-Gold Area

One of Original Funds That Focused Attention on Boischatel

NEW DISCOVERY

Lateral Work to Follow up Extensive Drill Results Meets With Excellent Success

Towagmac, Alderson and MacKay's attractive group in Boischatel Tp., Quebec, is rapidly coming to the front. Some time ago they encountered a new ore body in running a crosscut. To intersect the ore shown by diamond drill. The main body should be encountered in a very short time.

The shaft which was started on this property last August has now reached a total depth of 150 feet. At 125 feet, a station was cut, and from this level a cross cut was commenced. The cross cut, which is under a swamp, runs in a direction which should intersect the large deposit of copper ore indicated by diamond drilling. So far five feet of massive sulphide ore carrying about 6% copper and about 6% zinc has been cut. The point where this ore was intersected is about 52 feet in a north easterly direction from the shaft. The ore body cut appears to be an off-shoot of the main ore deposit running into it at an angle of about 45 degrees.

Drifting Proceeding

Drifting on this ore is now proceeding in the direction of the main body which is about 60 feet from the present drift face.

Ample supplies have been taken in via the water route from Angliers to insure the carrying on of operations until well on into January, at which time freight can be taken in over the winter road. A sawmill has been erected and sufficient lumber cut to complete the construction of suitable buildings for the accommodation of one hundred men.

Before spring arrives a branch power line will be constructed to the property and an electrically driven compressor installed in order that an aggressive development campaign may be carried on.

Additional Drilling

Further diamond drilling will be done to further explore No. 1 and No. 2 ore bodies.

N. A. Timmins Inc., hold an option on a 65% interest in the property, which option will most likely be exercised by the end of this year. In addition to the Alderson MacKay Mine, the Towagmac have taken over the holdings of the Pioneer Exploration Company, the Bell Thomson group, one group in Duprat adjoining the holdings of the Consolidated Mining and Smelting Co., and one group in Montbray north and adjoining the Coniagas group.

They also hold a 35% interest in the Lake Fortune Mine, and option on large block of the treasury, at which property diamond drilling is now being proceeded with.

The Alderson and MacKay find started the Boischatel rush last September. Their claims were prospected quite thoroughly before the original discovery was made. The first work was done on the south side of the hill. It was apparently something of an afterthought to cross the divide. A dip needle indicated something interesting. The importance of this was shown by trenching, and some very good ore became visible. Not long after a second ore body was disclosed by the dip needle and later still a third one was found.

Prior to this discovery Boischatel Township was not taken very seriously. Messrs. Alderson and MacKay stayed with it when others were skeptical. A considerable amount of ground had been staked earlier but no discoveries of consequence were made. The Alderson and MacKay find changed the whole situation. A small army of prospectors hurried to the scene and the entire township was staked solid in short order.

The Alderson and MacKay property itself looks like a mine in the making. It takes rank next to the Waite-Montgomery and Amulet, which is exceeded in importance up to date only by the Horne Property of Noranda Mines, Limited, A diamond drilling campaign was entered upon in January and was finished in June. A series of 14 holes was drilled and the deepest of these cut No. 3 ore body at a vertical depth of about 275 feet. No. 3 appears to be the most important of the ore bodies yet disclosed. It contains come galena, but also an important content of both copper and zinc. So far as values have been indicated by the diamond drilling the Alderson and MacKay ore will run about 6 per cent. copper, together with a small gold and silver content. This would seem to indicate ore of about $21 grade, which is an attractive proposition, even when it involves concentration and shipment to a custom shelter.

The Alderson and MacKav property is about nine miles distant from the Amulet. This later property will probably be served by the spur line from Mileage 37 on the Rouyn branch line. This spur will serve both the Waite-Montgomery and the Amulet. Its extension southwest is no difficult matter and will probably be undertaken if the Alderson and MacKay shows up the important ore that seems likely. A map in this issue shows the proposed branches.

Towagmac has sunk a shaft to 150 ft. and it is in a cross-cut on 125 ft. level that the new find has been made. In the meantime surface work to find new ore bodies is going on.

There are two swamps located to the east and slightly to the north of the shaft. It is proposed to do some work with the Magnetometer. This work is being started almost immediately and important information should be forthcoming soon. This low ground is looked upon as very promising. If indications are favorable a cross cut will be driven. The first swamp is within 150 feet of the shaft and the second about 500 feet further away. The future program will be determined by developments.

The ore deposits of the Alderson and McKay are of a replacement type in intermediate acid flows. The associated intrusives are gabble dykes in irregular masses, and large mass of syenite porphyry and porphyry dykes. The flows have a general east and west strike and vertical dip. They alternate from acid rhyolite to andesites. The altered and replacement zone is 2,000 feet wide. The copper is found in the dark-colored flows near the flow tops. The mineralization in order to deposit is pyrite, pyorrhotite chalco pyrite, sphalerite and a small amount of galenate.

Some interesting developments are looked for before the close of the present season. Operations will be carried on continuously throughout the winter, with the exception of a brief cessation of work over the holiday season. No official estimate of probable or possible ore has yet been made. The diamond drilling indicates a considerable tonnage and it seems assured that this property will be a shipper as soon as transportation and smelter facilities are made available. The size of the mine is dependent upon the results of development and exploration work now in progress.

A sixty-five per cent interest in the property is held by N. A. Timmins, Incorporated. This was purchased from the Alderson and MacKay group, which has since organized the Towagmac Exploration Syndicate. The later company controls other additional groups, upon some of which work is now being done. H. M. Parrington is in charge of operations at the Alderson and MacKay. There are other efforts being made to prove up ground in this vicinity, and these will be dealt with in a separate article.

Facts About Towagmac

Address: New Birks Bldg., Montreal. Authorized capital $1,000,000 in dollar shares: issued Aug. 1, 1926; 850,000 shares; 700,000 to Pioneer Exploration, 150,000 sold publicly at $1.50, balance in treasury. Share offering to friends of Pioneer Syndicate many times over subscribed.

Directors: President, J. J. McFadden, Spragge, Ont.; W. P. Alderson and A. A. MacKay, vice-presidents, Montreal; A. H. Chitty, sec.-treas., Sault Ste. Marie; N. A. Timmins, Montreal; A. A. MacMartin, Montreal; W. B. George, Eganville, Ontario; E. L. Myers, Johnsonburg.

Facts of organization and company holdings as furnished by Messrs. Alderson and Mackay, consulting engineers, follow:

Company has acquired prom Pioneer Exploration Syndicate following properties and assets, and, in return, pay to Pioneer Exploration Syndicate 700,000 shares fully paid stock.

Following is a list of holdings taken over by Towagmac Exploration.

1. Treasury of Pioneer Exploration Co. There will be a small cash balance in this treasury after organization expenses, etc., of new company have been paid.

2. Pioneer Syndicate Organization consists of highly-trained field organization under direct supervision of Alderson & MacKay, consulting engineers, Montreal. An agreement with Alderson & MacKay whereby they are to assume management of the company and be responsible to directors.

3. A thirty-five per cent. equity in following mining claims: M. L. 1951, 1952, 1953, and T 2986, 2987, 2988, 2989 and 2990, containing eight hundred acres, or more or less, in Boischâtel Tp., Que. Surface diamond bodies of valuable copper-gold ore.

Sixty-five per cent. interest in claims mentioned in this section have been optioned to N. A. Timmins, Incorporated. Following is brief summary of contents of option: $10,000 was paid on signing agreement, and $90,000 is to be paid January 1, 1927.

Agreed that company be formed with capitalization at least seventy-five per cent. of ore reserve. Property shall be turned over to company for at least fifty per cent. of the capital stock. Towagmac Co., Ltd., will receive thirty-five per cent. of stock that N. A. Timmins, Incorporated, receives for property. N. A. Timmins, Incorporated, through N. A. Timmins, bind themselves to spend a minimum of $50,000 on exploration and development work before January 1, 1927. If at that time N. A. Timmins deems it advisable to continue exploration work for another year before formation of a company, they would have the privilege of doing so provided they make payment of $90,000 and continue to spend at minimum rate of $5,000 per month. N. A. Timmins, Incorporated, is to receive from treasury of said company stock at rate of 25 cents on dollar for money spent on development, it being understood and agreed, however, that the sum to be expended by N. A. Timmins, Incorporated, shall be limited to $100,000, and that if further sums are to be expended before formation of company, Towagmac Exploration Co., Ltd., have the right to participate equally with N. A. Timmins, Incorporated, and shall receive stock in payment at 25 cents on dollar.

Future Plans

Directors and managers intend to do assessment work and pay all taxes for current year on all their holdings.

To do a limited amount of drilling on gold ore deposits of Francoeur-Bell-Thompson group.

To enter agreement with Fortune Lake Mining Co. to continue exploration work on Fortune Lake property in form of diamond drilling. In return receive stock for money expended and an option of further treasury shares.

Company will continue to explore prospects, buy and sell mining claims and carry on mining operations when necessary.

From sale of 150,000 shares at $1.50 per share company received $225,000. If payment on option between N. A. Timmins, Incorporated, and Pioneer Syndicate is made, it will receive an additional $90,000, making a total of $315,000. Company will also have 150,000 shares of stock in treasury which can probably be sold, if necessary, at much advanced price.

Address: Toronto Royal Bank Bldg. Offices at Haileybury, Montreal and New York.

Capital: 2,000,000 shares, no par value, 1,740,400 issued, 259,600 in treasury. Shares exchanged 1925, old shareholders getting 100 new for one old of $100 par.

Bonds: $3,000,000. Held by Hollinger Consolidated Gold Mines as issued.

President: James Y. Murdoch, Toronto, Ont.

Managing directors: S. C. Thompson, New York; H. W. Chadbourne, New York.

Directors: W. D. Baldwin, New York; I. W. Bonbright, New York; T. L. Chadbourne, New York; H. G. Haskell, Wilmington, Del.; P. A. Rockefeller, New York; Noah A. Timmins, Montreal, Que.

Holdings: Horne, 567 acres, now owned outright; Noranada, 454 acres, now owned outright; Timmins, 300 acres, now owned outright; Timmins, 326 acres, owns 95 per cent.; Timmins, 250 acres, owns 28 1-3 per cent.; Powell, 600 acres, owns interest; Norbec, 250 acres, owns 10 per cent.; Kirkland, controls Eastwood Mines, Gauthier Tp.; Porcupine, owns group six claims near Ankerite; Red Lake, holds 560 acres. In addition the company owns Noranda Townsite in Rouyn and also has the exclusive right to erect a customs smelter at Rouyn to handle the copper concentrates of the area.

Company developed from syndicate S. C. Thompson, New York engineer, formerly of the Rand, South Africa, and H. W. Chadbourne, New York engineer and capitalist, organized to explore for mines in Canada.

COMBINE GROUP INVESTMENT AND MINE EXPLORATION

Pontiac Holdings Headed by Former Harconian Belt Engineer

Pontiac Holdings is the name of an organization organized by a group of engineers and others who number among them some of the early pioneers of the Quebec field. J. F. B. Davies, M.E., formerly field geologist of Huronian Belt, heads the company, which has rather unique plans.

The company has in mind a group investment plan and a scheme of prospecting and exploration, and starts off with some attractive groups that have been secured and put into the company.

The company proposes to raise considerable funds by public offering of its shares and to invest the major portion of this in securities of mines that in their opinion offer a maximum of security and opportunity for reasonable appreciation in value. They believe that their shareholders can thus participate in a diversified mine investment, that for the individual takes large sums.

At the same time the company's field force will pick up properties of promise and open them sufficiently to make them attractive to capital to exploit them. It is believed that the portion of the capital invested will show a profit sufficient to keep the company's assets up to the amount received from the public plus a profit, and at the same time allow a portion to go to the field force for their work.

Mr. Davies has been on field work for Huronian Belt for a considerable time in Quebec, and he has visited practically every worthwhile field. The groups he has selected for the new company and in which an 80 per cent. interest has been acquired are as follows:

Desmeloizes Township, 15 claims of 40 acres—600 acres, run immediately northeast of the Abana Mine.

Desmeloizes Township, 14 surveyed lots of 100 acres each—1,400 acres, between Abana Mine and Huronian Belt property.

Cadillac Township, 5 claims about 220 acres adjoining properties with valuable gold showings.

Cadillac Township, 13 claims, about 600 acres in an interesting section.

Faurniere Township, 7 claims of 40 acres—200 acres.

Fourniere Township, 10 claims of 40 acres—400 acres.

Both groups in Fourniere are in an interesting section, close to Malartic Mining Company which was developed by Porcupine Development and Finance Company and also close to ground held by Huronian Belt.

Chibougamau District.—80 per cent. interest in 3 groups of claims totaling 1,000 acres, more or less, well located in Lac a Dores section of the new Chibougamau District. One group adjoins the famous McKenzie discovery, and the others adjoin the Dumond, Blake Development Co., Machin and Huronian Belt Co., properties. This district promises to develop into an important copper-gold area.

Mr. Davies and E. J. Bolger, C.E., will make up the company's field staff.

Montreal Rouyn Rejects Offer to Buy Control

MONTREAL.—Rouyn Gold Mines has rejected, says a Montreal report, an offer of $500,000 for an 80 per cent. interest on an option basis.

Since the story that such an offer had been received was published, there has been a great drive to sell stock. The above price is just equal to the par value of the company's stock and would thus net shareholders, if all the stock is out, $1 per share, and they would still have a fifth interest.

Who made the offer was not revealed. It was just stated a N. Y. syndicate.

The company will proceed to develop the property itself and will have to have an electrical survey made of the property by which ore bodies will be disclosed and defined, the company having ample funds in its treasury to carry through the program in hand.

CHANCES OF NEW MINE ON PETERSON COBALT, THEY SAY

Company Confident That Present Program Will Reveal New Finds

The operation going on at the old Peterson Lake property, Cobalt, has been commanding a good deal of attention. This property has always been regarded as possessing possibilities and the extent of the present operation seems to have commended itself. Some time ago, The Post pointed out, following an interview with Prof. J. W. Russell, that there were possibilities of a big mine in the diabase where O'Brien got such good ore. A rather intelligent review of the new operation has just been issued by the company. It reads:

"In submitting this report on development results at the property since work began the latter part of August, it is considered advisable to give a short and concise outline of results obtained up to date, for the benefit of those who have not read the former reports. The operations have been conducted principally in a raise from the 225-foot level in the diabase, and in connection with the opening up of a new winze to the 330-foot level. Work at this point was in progress only a short time when a rich silver vein was encountered, showing a width of three inches and carrying values up to 2,000 ounces to the ton. The wall rock for about one and a half feet on each side of this vein was found to contain considerable leaf silver. Further development in this raise resulted in disclosing a width of 26 inches carrying 328.4 ounces of silver to the ton, from a channel assay after eliminating all free silver showing in the samples. In addition to this, further sampling and assaying disclosed values of 92 ounces to the ton over nine feet in three-feet sections. About two weeks ago a 10-inch vein plentifully shot through with free silver was encountered in this same raise, with the wall rock on either side also showing leaf silver. So far as we are aware this is the largest vein yet discovered in any section of this property. Further development on this vein has shown high-grade silver values up to approximately 1,000 ounces to the ton.

"In the meantime a cross-cut from the 155-foot level is being extended from the keewatin into the diabase to cut the upward extension of the orebody on the 225-foot level. This cross-cut is now nearing its objective and it is expected that the vein will be encountered within the next few days. Work on this level in a fault zone has already disclosed some silver values, and also the vein is carrying cobalt.

Shipments of Ore Soon

'Ore is now being hoisted from the 225-foot level, and is being placed in a dump on the surface. Shipments of this ore will be made later on. In the meantime all efforts are being concentrated on underground development. There is no object in shipping the ore at the present time, as the company's treasury has ample finances to continue the development program mapped out. Sufficient finances are in hand to carry on this development for a period of about a year.

"Mr. Horace Strong, one of the most experienced experts on the geological structure of the Cobalt area has submitted his report and endorses the plan formulated by the company's engineer, D. G. Russell, which calls for the sinking of an inclined winze following the diabase keewatin contact over a wide area of hitherto unexplored ground of the same identical formation in which the present excellent results are being obtained. It will now be our policy to continue the development as outlined by our engineer, and recommended by Mr. Strong. We are very confident that the results of this exploratory campaign will result in further rich discoveries. From the results already obtained, it is indicated to us that we have excellent possibilities for developing an entirely new mine in the diabase formation. In this condition it is interesting to note that other Cobalt mining companies are now directing new operations close to our property.

"The silver market is showing recovery from its recent drop of 51½ cents an ounce. It appears to be the consensus of opinion among silver experts that the market on bar silver will soon be appreciably higher. In any event, on the grade of ore being obtained at present we could realize substantial profits with silver at 50 cents an ounce. The work of connecting up the winzes with the shaft is nearing completion, and next week we anticipate that we will be able to hoist direct from the 330-foot level to the surface. Our major operations will very shortly start on this level, where an important fault zone is in evidence, and which when followed into the diabase is expected to yield equally as good results as that obtained in a similar fault zone on the 225-foot level.

"The directors are planning a visit to Cobalt to inspect the discoveries already made, and to look over the situation in general."

Dr. Cooke Tells of Geology of Rouyn Area, N.W. Quebec

(Continued from page 17)

and water, together with the sulphur and other gases, and certain water soluble mineral constituents were in solution in the molten rock, and are given off when it cools and hardens. The process is analogous to the freezing of a pail of salty water. As everyone knows, the water freezes out as pure ice, not as salty ice, leaving a small amount of unfrozen, very salty water in the middle of the pail. When an intrusion solidifies, however, the gases, water, and soluble mineral constituents cannot escape into the air or flow away on the surface, because the intrusion is sealed down beneath hundreds of feet of solid rock. They can only escape therefore into holes and fissures, where they deposit their mineral constituents, thus forming veins; or they can attack and eat away parts of the solid rock itself and replace it with mineral, forming what are termed replacement deposits.

All the large orebodies of the Rouyn district are replacement deposits. Ore-bearing solutions given off from some mass of cooling igneous rock in the vicinity have attacked the ancient lavas, replacing them with compounds of copper, zinc, iron and sulphur. The rock from which these solutions are supposed to have emanated is a kind of granite, which forms two large masses, one in the centre of Dufresnoy Township, the other astride of the boundary between Duprat and Boischatel Townships. All the deposits so far discovered are in the vicinity of one or other of these masses. The ores themselves are of a most interesting type. Many of the deposits, including those on the Horne, Waite-Montgomery, and one on the Towagmac, are absolutely solid masses of the copper, zinc, and iron sulphides, a striking sight. In other deposits the replacement of the ancient lavas has been less complete, and the country rock is merely peppered more or less thickly with the grains of yellow sulphide.

The property possessed by one of the iron sulphides, of being slightly magnetic, renders it possible to search for these ores with a dip needle. This instrument is, essentially, a compass which is held in a vertical rather than a horizontal position. Where a magnetic body occurs at not too great a distance below the surface, the dip needle reveals its presence by a deflection from the horizontal. The recent great discovery on the Towagmac claims in Boischatel Township was first indicated in this way. Vigorous prospecting of the whole area around the granitic intrusions is now being carried on, both with the dip needle and by ordinary methods, and it seems altogether likely that other discoveries of value will be made.

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W. P. Alderson, Vice-Pres.
A. A. MacKay.
A. H. Chitty, Sec. Treas.

Directors
N. A. Timmins.
A. A. MacMartin.
W. B. George.
E. L. Myers.
One to be appointed.

Organization
Alderson & MacKay, Consulting Engineers, and a staff of highly trained Mining Engineers and prospectors.

The Company was organized as an exploration and development company.
The organization is for the purpose of examining, exploring and developing properties.
The Towagmac Exploration Company Limited will examine properties with the view of buying or cooperating with the owners in the early development of the property.
All correspondence and personal inquiries will receive prompt attention.
NEW BIRKS BUILDING MONTREAL

Empire Mining Leaders to Spend Six Weeks in Canada in 1927

Empire Congress of Mining and Metallurgical Societies Makes Announcement

Though there is much talk about England lacking appreciation of Canada's mining progress, the announcement from London on behalf of the Empire Council of Mining and Metallurgical Institutions, composed of ten securities in the British Empire, regarding the second (triennial) Empire Mining and Metallurgical Congress to be held in Canada in August-September, 1927, indicates that Canada's mining position is regarded as very important. Delegates from all over the empire will spend six weeks here. The announcement:

"The opening session will be held in Montreal, on Monday, Aug. 22. An influential organizing committee representative of the whole of the dominion has been constituted, and an exceptionally attractive program is now practically completed. It embraces sessions in Montreal, Toronto, Winnipeg, and Vancouver, with visits to mines and works and places of scenic beauty throughout the dominion. The full program will occupy about six weeks in Canada.

"The organizing committee had secured the full approval of the congress by the dominion and provincial governments, and the Minister of Mines has emphasized the direct interest and support of the dominion government by accepting an invitation to act as president of the congress. The fullest information will be embodied in a comprehensive series of communications to be issued to members of the constituent bodies by the organizing committee, through George C. Mackenzie, secretary of the Canadian Institute of Mining and Metallurgy, the general secretary of the congress, whose address is Drummond Building, Montreal, Canada."

HIGH VALUES ARE FOUND NORTH OF LA SARRE STATION

Norrington Development Has Made Important Find in New Area

A copper-zinc deposit, 18 ft. wide where opened up over a length of 200 ft., is reported on Norrington Development group north of La Sarre, Que. Channel assays at a depth of 5 feet over a width of 10 feet showed $31.12 copper to the ton, $2.40 zinc, 20c. gold and a trace of silver. A large crew of men are now doing surface work, and diamond drilling will shortly be started. The Norrington Development Company has optioned about 1,200 acres, which will give them about 8,000 feet on the strike of the find.

Norrington Development holds about 5,000 acres in Quebec and has three gangs of men at work.

In the Townships of Cadillac and Malartic they uncovered some promising showings, also in the Township of Duprat one group of claims is showing up well. In Montbray where the company has approximately 1,000 acres, a dip needle survey gave promising indications. A gang of seven or eight men has been doing surface work on this group when the foreman, Peter McGinley, made the important discovery four miles north of the Transcontinental railroad at LaSarre, P.Q.

Immediately as this discovery was made McGinley and the field engineer, W. A. Coughlan, decided to concentrate all their men on opening up this property, and the company acquired ten claims of 100 acres each, making a total of 1,000 acres in block. As the work progressed they have had encouraging showings, and engineers who have examined the property have pronounced it one of the most promising prospects discovered this year in the northern Quebec area. The directors have decided to contract with Smith & Travers Co, Ltd., of Sudbury, Ont., to diamond drill the property immediately.

Analysis of the surface rock have been run by Milton Hersey of Montreal, also by Ledoux & Co., of New York, and since that time a massive chalcopyrite ore body, approximately five feet wide, carrying high values, has been encouraged.

ANACONDA BUYS STOCK OF QUEBEC COPPER-GOLD CO.

Alderson and MacKay Have Taken Charge of Developing Group

Anaconda Mines, Ltd., a new Quebec concern, has secured valuable holdings, totalling in all 1,004 acres, by purchase of all the capital stock of Quebec Copper Gold Mines. The property is in Boischatel township, adjoining Amulet "C" and Horne Reef block optioned by U. S. Metal and Refining.

Work to date has been confined to surface effort, trenching and stripping, and is now being surveyed into 400 foot squares as a forerunner to prospecting by dip-needle and Swedish electrical methods. Development this summer has already disclosed three mineralized zones containing copper and gold values.

The Anaconda Company has entered into a contract with Alderson & Mackay, who will assume charge of the company's properties as consulting engineers and managers. Ample funds are being provided to take care of an aggressive development campaign similar in every detail to those being carried out on the Towagamac Development & Exploration Co. and Timmins properties in Boischatel, also under the engineering supervision of Messrs. Alderson & Mackay.

Lumber and equipment necessary for the erection of camps has already been ordered by the company and building operations are scheduled to commence at once. At present a site is being cleared near the centre of the property.

The officers and directors are as follows: D. B. Rochester, lumberman, Ottawa, president; S. S. Holden (Grant-Holden-Graham, Ltd., Ottawa), vice-president; J. Lorne McDougall, barrister, Ottawa, secretary-treasurer; with Joseph McDonough, mining man; Napoleon Belanger, D. A. MacGillivray, and F. W. Perras, M.P.

CASTLE TO OPERATE SECOND SHAFT

Castle Trethewey Mines is reported to have ordered new equipment for shaft No. 1 in Gowganda. The shaft is down 300 feet and will be deepened another 300.

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United Verde Has Entered Que. Field

United Verde Extension, one of the large old U. S. operations, has taken up a couple of groups in North-West Quebec.

United Verde was incorporated a quarter of a century ago, in the State of Maine, as a reorganization of the United Verde Extension Gold, Silver and Copper Company.

During the past decade the company has been an important producer, having attained records of output in copper which compare in value with the records of Hollinger in value of gold produced.

The property upon which United Verde will commence operations in the Rouyn field is the Murray group which adjoins Noranda on the north and north-east. These claims embrace a part of the bed of Osisko Lake. From the general surface conditions and the favorable location, the outlook for the new enterprise is highly promising. The terms of the deal are reasonable, the vendors having shown faith in the outcome of development by granting a comparatively long period over which the purchase price of the claims has to be paid.

Capital Mines is carrying out a diamond drill exploration of its extensive Gowganda holdings. Two holes have been completed and a third is under way.

SAGUENAY SMELTER WILL REFINE ROUYN COPPER SHIPMENTS

Noranda Plant Will Likely Ship in Form of Blister Copper

Concurrent with the announcement that the Duke-Price interests in the province of Quebec have decided to start without delay the harnessing of the power resources of the Chute-a-Caron on the Saguenay River, comes the report that construction of the much talked of smelter in the vicinity of the Saguenay will be started next spring by American Cyamamid. As practically the entire developed power of the district is now employed in other industries, it is believed that realization of this project, which has been talked of for some time, will come with the harnessing of the huge hydraulic wealth of the Chute-a-Caron. Construction of a hydro-metallurgical plant at a cost of $12,000,000 is the plan under consideration.

The proposed plant would be used as a zinc smelter and as a general metal refining establishment. Impetus to the scheme is given by the developments taking place in the Rouyn mining area in the northwest part of the province. The smelting plant being erected at Rouyn will only perform the preliminary process, whereas the proposed Saguenay plant would be equipped for final refining.

American Cyamamid is developing the Sterling zinc mine, Nova Scotia, and it is understood that the production of this mine will be shipped to the Saguenay Smelter.

Calartic Mines Has Four Large Groups

Calartic Mines, by systematic prospecting and co-operation with engineers of Bourlamaque Syndicate, has rounded up four attractive looking Quebec groups. They are in Bourlamaque Township, 200 acres in the Clark-Reid section.

"240 acres, Township of Mallartic. Considerable development has been done on this group, a vein approximately six feet wide being uncovered, which gives promise.

"10 claims in Montbray Township in which the formation is good. Engineers are now diamond drilling to 5,000 feet, a work that will be completed as soon as possible. Nipissing, Coniagas, Consolidated Smelters and others are working properties adjacent to this property."

These are held subject to examination.

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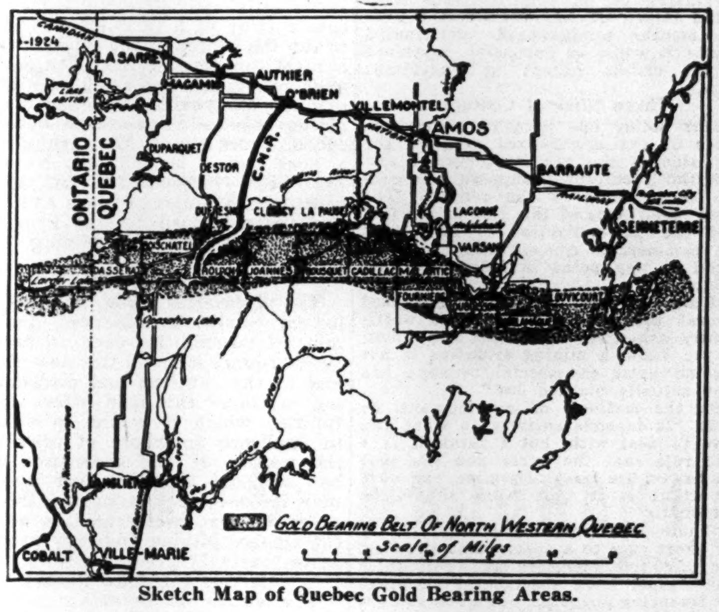

Sketch Map of Quebec Gold Bearing Areas.

THE past year has clearly established the important and permanent character of the Northern Quebec gold camp. It is now long past the speculative stage. Diamond drilling and the sinking of shafts have definitely settled the fact that not only does this camp lie in the same favorable geological formation as the Northern Ontario mining camps, but there is every evidence that the ore deposits are there in an equally generous measure, though somewhat more complex in character.

Ore Values Proven High

The preliminary work done in 1923-24 showed a widely distributed zone of mineralization — approximately 100 miles in length and of undetermined width, and it is a notable fact that, despite the extensive nature of the prospecting, few of the assays made have been blank while gold contents of $7 to $15 are numerous.

The work done in 1925, and the early part of 1926 has shown some striking developments. Probably the most important of these is the way in which copper has taken the centre of the stage in the North Western Quebec. Although the prospecting for gold has been continued with unabated enthusiasm, and has resulted in many discoveries of real value, the copper discoveries have been so imposing that they have almost dominated the interest in the section. The early discoveries of copper were in small quantities in conjunction with gold. The later discoveries show a much higher percentage of copper, so large indeed as to dominate the interest in this field.

Despite that fact, there has been no abatement in the interest in the gold situation, and the year has yielded many spectacular samples and discoveries. There are at least a half dozen Quebec prospects that should be rapidly developed into mines of ranking importance.

Outlook for Extensive Development

There is every promise that 1926-1927 will bring a great boom to this area. Heavy exploration programs have been outlined; these are largely in the hands of capable and responsible mining men, so that Quebec is assured of a solid development. It is estimated that development work in the copper-gold-zinc area will represent an outlay of upwards of $10,000,000 for the current year which should result in other discoveries of marked value, and a general progress toward a better understanding of the vast possibilities of the section.

A Mining Camp on Lake Tremoy, in Rouyn Township.

Government Aid to Mines

The Quebec government has adopted a generous policy in aiding the development of the section. Its most pressing needs were means of communication and access. To the end of supplying these the provincial government subsidized the Ville-Marie Navigation Company, to maintain regular boat service between Angliers and the gold fields. Roads have also been opened both from the south, from Angliers to Boischatel and Rouyn and from the north, from Macamic to Rouyn. Substantial grants were also made to two development companies for the opening of roads between the camps. Claim recording offices have been opened at Ville-Marie and Amos, and reliable assay offices have been subsidized in Rouyn and Amos so that prospectors can have their assays done practically on the ground, and at reasonable rates, thus enabling quick returns as a guidance in their development work.

Means of Transportation

The completion of the Canadian National Line into the Camp with the consequent facility in getting necessary supplies to the various camps, should do much to give an added impetus to the work. Steel is now within a couple of miles of Noranda Camp. In addition, the Canadian Pacific's line to Angliers is within forty miles of the principal camps. The Laurentide Air Service maintains a first-class air service by hydroplane, covering the 45 miles to the centre of the Rouyn in fifty minutes. Two water routes, one to the eastern part of the field on Lake Rouyn and one to the western part of the field in Dasserat township are an added accommodation that facilitates the import of necessary materials and supplies.

Mining Laws and Rights

The Quebec mining laws are very liberal and favorable to the prospector. They give security of title and are not burdensome either in money or assessment work. Moreover, mining rights are mainly on Crown lands, so that virtually 90% of the whole area of the province may be staked out as mining claims, on the same terms by either British subjects or aliens.

The procedure of acquiring mining lands in the Province of Quebec, as recently established, has been favorably received by both mining engineers and financial publications, as just and equitable, and free from burdensome restrictions.

Complete information regarding the necessary steps for the acquisition of lands, and information relative to the mines, mineral resources of the province and mining regulations will be gladly furnished on application to : The Hon. the Minister of Colonization, Mines and Fisheries, Quebec, Canada.

HON. J. E. PERRAULT, Minister.

Electrical Prospecting is Proving Big Factor in Exploration in Rouyn

Many New Schemes Have Been Employed to Hunt Ore

MEETING SUCCESS

This Method of Hunting Ore is of Considerable Interest Because of Use

Quebec gold-copper area has brought into prominence the electrical prospecting for ore bodies. One hears a great deal about dip needle, electrical prospecting etc. As these methods of hunting ore have been in little use in Canada heretofore, not much is known about their uses and success.

From the very earliest times in the history of prospecting for valuable minerals, men have tried to devise methods by which orebodies could be located with the minimum work attached thereto. In most areas, even when the ore outcrops at bedrock, this bedrock is covered by a mantle of sand, gravel, clay, soil, water and vegetable matter to considerable depth, and it necessitates considerable labor to investigate the bedrock conditions.

The above conditions in the prospecting fields brought forth a crop of divining rod experts who used a forked willow wand. The method of operation of this willow wand consisted in the "diviner" holding firmly in each hand a prong of the fork and walking over the ground to be prospected. When walking over a mineral deposit the apex of the fork was supposed to dip very strongly toward the ground, thus indicating the deposit. It can be plainly seen that there was no relationship whatsoever between the wooden wand and the ore deposits, and it became gradually accepted that the users of such methods were at least fooling the public.

In 1843 Freiherr Von Wrede saw the possibilities of using the magnetic needle, or dip-needle, to locate magnetic deposits, and by this method could even give an outline of the boundaries of the deposit. In 1879 Prof. Robert Thalen published a paper "On the Examination of Ore Deposits by Magnetic Measurements." This was the beginning of locating orebodies by magnetometric practice.

Later on various other methods came into general use, such as the electrical methods of prospecting. Of these methods might be mentioned the Lumberg Nathorst and the Schlumberger. The former method is based upon the principal of passing an electric current through the ground between two points relatively far apart and noting the difference of potential of various points intervening. Points of equal potential are connected by lines on the plan and the curves are then studied. Relatively good conductors tend to repel these lines and relatively poor conductors have a tendency to cause the lines to come together. In order to carry out this work a small single-phase alternating current generator is used. It will thus be seen that this is quite substantial equipment.

The Schlumberger method is based upon the fact that certain electric currents are set up within the mass of many types of orebodies, and therefore an external current such as that used in the preceding method is not employed in this method. The electric currents which are set up in the orebody are defined by two non-polarizing electrodes and a potentiometer. The electrodes are brought in contact with the ground at various places until a certain zone is located, into which electric currents appear to flow from all directions, and this zone is designated as an area located immediately above the mineral deposit. This area is then used as the centre of operations for including a larger area of the surface, and the results are thus plotted on a plan and studied.

There are other methods of electrical prospecting, but the above are the ones which are being used principally, if not entirely, in Northwestern Quebec to-day, and with considerable success.

The dip-needle, which consists of a magnetized needle suspended horizontally, has been used a great deal in Northwestern Quebec, but it is doubtful if the discovery of a single ore deposit can be directly attributed to this method. It was, and is being, employed because of the fact that the copper and zinc deposits in Northwestern Quebec are at times associated with pyrrhotite an magnetite which will attract the needle, but bodies of relatively pure copper sulphides or zinc sulphides have no effect upon the needle and may be overlooked by this method. Within the last six months or so the dip-needle has been more or less employed in a different role to that of directly searching for orebodies. There is sufficient magnetite in most of the basic dykes to attract the dip-needle slightly, and these readings are recorded on a plan and the outline of some of the basic intrusives or other basic rocks can be thus shown. The basic orebodies of the area are usually associated with such basic rocks, and trenching is thus concentrated in those zones of relatively high dip-needle readings. After the dykes have been located, then work is concentrated in the volcanic rocks adjacent to such basic intrusives.

In dip-needle work, or electrical prospecting work, as above outlined, a great deal of preparation of the area to be prospected is necessary before the actual prospecting by these methods can be accomplished. In the first place the area to be prospected is usually laid out in ranges running approximately across the formation and about two hundred and fifty to three hundred feet apart, and the dip-needle or electrical prospecting is carried out with these lines as references. Whenever there is any indication of the presence of the concentration of minerals, then detailed work is concentrated at this point.

UNDERGROUND WORK LAUNCHED ON HARVIE GROUPS

Company Has Spectacular Showings of Copper Along Granite Contact

Dr. Robert Harvie has just issued an up-to-the-minute report on Harvie Mining Co. activities. The feature is the statement that it seems definitely assured that the mineralization on Claim 2509 extends into the recently acquired Thompson group.

On the question as to the advisability of adding to the present immense holdings, Dr. Harvie says that the time to acquire property is when one can get it by staking or on comparatively light option terms. If the work of the next five months produces the anticipated results, it would be impossible to secure related claims except at exorbitant figures.

Three Miles of Contact

"Our policy has been to secure the whole of the mineralized area on the east side of the granite intrusive and with the Thompson group, we now control three miles of the contact. The great importance of this lies in the fact that the mineralization is such that the commercial concentration may be found at any point in this three-mile stretch."

"I am convinced that we have located several probable concentrations sufficiently large to make distinct mines, but, as you know, a mining situation is not a mine until commercial tonnage has been actually blocked out."

On the methods of development, he said: "It depends entirely on what you have to deal with, but I think it is a safe rule that the surer you are that you are on the track of a mine, the more important it is that work should be systematic.

"There is a great temptation to try for short cuts to a spectacular showing, and, of course, there are many companies which must have spectacular showings for financing purposes, but when you are reasonably sure of the value of your situation and possess the means to work properly, I believe that a most careful study of the surface by trenching and the sinking of prospect shafts should precede underground work and diamond drilling.

1,600 Acres to Prospect

"We had an unusually large area to deal with. The systematic combing and mapping of over 1,600 acres has been quite a task, and as this was practically all mineralized, every acre had to be subjected to intensive methods."

Outlining the present program worked out in conjunction with his consultant engineer, H. H. Claudet, Dr. Harvie discussed the relative advantages of underground development and diamond drilling. "I believe that in a situation such as ours, underground work is essential and that diamond drilling should be used merely to supplement this work. You cannot get down into a diamond drill hole, and I consider it vital at this stage to get the geological key to our whole area.

"The two situations on which we are concentrating lie about a mile apart, and are about the same distance from the granite contact. For purposes of easier distinction, we call these the north and south showings. On the north showing we are driving a tunnel from the base of a hill, at a right angle to the general strike, to cut through two ore zones. This should not only prove their extent and value, but will give us a great deal of geological information as to the structure and situation along the whole contact.

"On the south showing we are sinking to the 100-foot level and from that point we will tunnel six hundred feet along the strike of the ore. In both cases diamond drilling will be used, of course, as we see fit."

INDICATED MINERAL AREA OF N.W. QUE. 10,000 SQ. MILES

Industry Should Make Great Strides in Near Future

By HON. J. E. PERRAULT,
Quebec's Minister of Mines.

In the light of the discoveries of ores or copper, zinc and gold made within the last three years in western Quebec, it may not be amiss to compare the "past" in our mineral industry with its "future."

The past can be dismissed with a few words. It is interesting to state that although a small iron smelting industry was established on the St. Maurice River as long ago as 1736, and gold was produced in Beauce County sixty years ago, the metallic minerals have never contributed a large amount to the total of the mineral production of the Province. Of the $25,000,000 which represent the annual value of the products of our mines, over 90% is made up of nonmetallics such as asbestos· mica, magnesite, feldspar and building materials. The recent discoveries of copper, gold, zinc, made in the Abitibi-Temiscamingue region; the development work done on the Gaspe lead and zinc deposits bid fair to alter this, and there is promise that, within two or three years, Quebec will be producing all these metals in very appreciable quantities.

Expenditure Justified

The future of our metal mining industry appears to be of the brightest. The discoveries of metallic ore deposits in Northwestern Quebec made within the last two years have been sufficiently important to induce the construction of fifty miles of railway to tap the centre of the mineral zone; a 1,000 ton smelter has been decided upon and its erection has been started; a town—Rouynville—which now comprises 125 buildings, three banks, a school, seven stores, has sprung up in a year and a second one, Noranda, has been incorporated by special charter. 250 miles of roads and trails have been opened by the Provincial Government and the Mining Companies.

10,000 Sq. Miles

The discoveries made, and the geological conditions observed, indicate mineral possibilities over an area of 10,000 square miles in this new region, and to the cautious and discriminating capitalist this field offers opportunities which it would be difficult to duplicate anywhere at present in the world. It can therefore safely be predicted that however spectacular its development during the last year, the next twelve months will see the Quebec Mining Industry progress at increasingly greater strides.

Carries Far Into Quebec

The strata of Ontario's gold section carries 100 miles or more into Quebec. Many gold discoveries have been made in the last couple of years, though the chief interest and the future of the camp is in the copper-gold deposit. On the Horne property, owned by Noranda, the rocks consist of Keewatin rhyolite, rhyolite tuff, and dacite, intruded by elongated bodies of fine-grained gabbro trending in one general direction, and orebodies have developed in the rhyolite and tuffs along zones of fracturing. In these zones, pyrite, pyorrhotite, and chalcopyrite, without quartz, calcite, or other gangue minerals, have been deposited, have partly or completely replaced the country rock, and form lenticular ore-bodies up to 60 feet in width. One such lens carries $7 to $8 in gold a ton and 17 to 20 per cent. copper. On another group of claims the rhyolite has been shattered and in the zone of shattering quartz, calcite and pyrite form a network of veins, and the sulphide is abundant through the country rock. Gold is present, apparently associated with the pyrite.

Gold Content Comparatively Low

Less than a mile away, the Keewatin rocks and intrusive masses of granite are traversed by a highly inclined quartz vein, which is mineralized with pyrite· has an average width of 3 to 6 feet, and has been traced over a length of 3,600 feet. The gold content is comparatively low. In other properties in the same general district the gold-bearing deposits consist of sheared zones in part of which the rock is replaced by quartz, carbonate, and sulphides, chiefly pyrite, with variable values of gold. Other examples consist of gold-bearing, shattered zones in Keewatin volcanics. These are traversed by quartz veins; pyrite and chalcopyrite occur around and within fragments of country rock; numerous small veins rich in carbonate and pyrite are present; and locally the country rock is completely altered to carbonate. To the east, in the vicinity of De Montigny Lake, gold occurs in quartz and in pegmatic veins in places bearing tourmaline, pyrite, chalcopyrite, galena, sphalerite, and calcite. The veins cut volcanics, sediments and granitic rocks.

Counted High Erratics in Dome Ore Estimate

Kirkland Lake Dispute Recalls Porcupine Case — Cut $4,00,000 Later

The discussion on the dilution of the ore of Kirkland Lake when it is being mined, which is one of the chief differences between Mr. Tyrrell and Mr. Summerhayes, the two engineers involved, recalls an old Northern Ontario example of this nature which occurred in the early days at Dome.

To better understand the situation, it is better to review briefly the Kirkland Lake situation. Mr. Tyrrell estimates that the mine has 80,000 tons of $20 ore. Mr. Summerhayes cuts this in half and reduces the value to $13. He practically eliminated high erratic assays, treating them, evidently, at the average for the section. and reduces the value per ton from assays, 20 per cent., as he estimates that will be the amount of dilution in mining.

The Dome instance dates back to the time when the Dome was mining in the old Glory Hole section, and treating low grade ore. The estimate of engineers was that there was $16,000,000 ore reserves. A study of their report showed that they had included high erratics, some up to $1,400. A revision was made and the ultimate result was that the $16,000,000 ore reserves were reduced by $4,000,000. It also developed that they had included in this reserve about 100,000 tons of $2 ore that because of its position could hardly be broken for that. It is still in the mine.

Nipissing Has New Find in Montbray

Nipissing Mines has not made public assay results on the new discovery made on the company's group in Montbray, Que. The heads of the company, including Gen. Mgr. Hugh Park, have already visited the discovery. The discovery of disseminated ore is said to be around 100 ft. in width, and is cut with chalcopyrite in massive form. As a result of trenching work, the company has now switched its diamond drills from the ore body being exploited to test out the new discovery.

Nipissing now has a fairly extensive program of exploitation under way. considering its South Lorrain, Montbray, Duprat holdings as well as doing considerable new work at Cobalt.

W. P. Alderson & A. A. MacKay
802 New Birks Bldg., Montreal, Que.
Consulting Mining Engineers

F. S. Arntfield
President & Managing Director

THIS Company has under development four large groups of claims comprising an area of 5,000 acres located in the Central Part of Boischatel Township, Quebec. These groups tie on to such outstanding operations as TOWAGMAC, CONSOLIDATED MINING & SMELTING CO., TONOPAH MINING CO., LTD., NORANDA-ARMSTRONG, PIONEER MINING CORPORATION, LTD., and VICTORIA SYNDICATE, LTD.

The properties of ARNTFIELD MINING SYNDICATE, LTD., constitute one of the major holdings in the entire Rouyn district.

Reliable information may be obtained at all times on request.

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Harriston, Ont.

THE COMPANY'S HOLDINGS

GOLD

1. BOURLAMAQUE TOWNSHIP—Claims 3938, 3939, 3940, 3941. Work this year has indicated great possibilities for this group. This is a gold formation entirely. Two-fifths interest in L.2404. This claim adjoins the sensationally rich Reid properties; 450,000 shares in Cambrian Gold Mines.
2. DUBUISSON TOWNSHIP—70,000 shares in Unison Gold Mines, Limited.

COPPER GOLD

3. Claim 1833, Rouyn Township, adjoining the most easterly holdings of Noranda Mines. Work this year has disclosed a very strong vein about 30 feet wide carrying good copper values and some gold.
4. Fifteen claims in Dufresnoy Township, and four claims in Hebecourt Township now under option to English interests.
5. Calartic Mines, Limited, of which the Syndicate holds 270,000 shares, was incorporated to take over the Syndicate properties in Malartic Township and Montbray. The latter have been surveyed by dipneedle with outstanding results.
6. MISCELLANEOUS—A controlling interest in Consolidated Feldspar now operating in the nonmetallic mineral of Feldspar at Hybla. Recent operations have been broadened to include a promising property near Crearar, near Sudbury, and 10,000 shares of the North American Lead and Refining Company, which is a $100,000 company. This Company is now successfully opening up several properties in the Thunder Bay-Nipigon District. Operations during the past summer have indicated wonderful possibilities, and in the preliminary work about 20 tons of high-grade lead ore have been sorted ready for shipment.

In conclusion, we believe that this stock is just in the proper position for substantial advances in market prices. The policy of the Company is very conservative and its subsidiaries are all self-supporting, thus leaving the Company free to pursue its policy of acquisition and partial development.

In analyzing the prospects for the future of the Company, we are very much impressed by the location and possibilities of its holdings and the holdings of its subsidiaries. Development work is being pushed with all possible energy and from the results being obtained we do not hesitate in predicting that the stock of this Company will sell at many times its present market quotations.

We Invite Your Inquiries, As We Believe That a Thorough Investigation of the Possibilities of This Company Will Well Repay the Investor.

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Gull Lake to be Tested in Hunt for Extension of Kirkland Zone East

Two Operations Plan to Diamond Drill This Section

SYNDICATE ACTIVE

Riccarton Has Rounded Out Various Interests and Grouped With Ross Powell

The outlook is that after many years of waiting Gull Lake, east of the producing section of Kirkland Lake camp, is to be tested out.

There has long been conjecture as to the strike of the main producing zone of the camp after it entered the Tough Oakes Burnside property. There seems to be a large dyke running down through this property and this apparently acted much the same as a fault. The eastern section of the break has not been picked up.

Some engineers have contended that the break continued on to the northeast. This would have taken it into the large Continental property. This company, a consolidation of many groups, was it is believed, got together on the theory that it would pick up the easterly extension of the break.

Such was not the case in the work done to date, however, and naturally attention switched to the southern part of the area which would take in the Burnside property of T.O.B. and then east into the southern part of Gull Lake and out into the Queen Lebel property. On the latter there has been considerable work done with some measure of success.

Practically Untouched

But in the couple of miles intervening, made up of the long narrow Gull Lake, practically nothing has been done.

Two operations are about to get under way. The Gull Kirkland had made a contract with D. D. Chrisholm to drill its holdings in the east part of the lake and it is believed that a start will be made this week. Its property lies between the holdings of the Ross-Powell syndicate, and the western properties of this company figure in the second operation.

The Ross Powell was badly disrupted during the war and after three years effort, L. E. Plummer has been able to get the various interests together and get options on their holdings. As a result he has interested some influential people and the Riccarton Syndicate has been organized. This syndicate rounded out the interests in the group other than the holdings of the Ross Powell and last week the members of that syndicate met and gave approval of the scheme of the syndicate to raise funds for diamond drilling and if efforts in this regard are favorable, they agreed to throw in their interest into a company to be organized.

Will Diamond Drill

Rather an attractive agreement to raise the funds have been made with the syndicate, headed by Chas. Ackerman, one of the syndicate in Waite-Montgomery.

Queen Lebel and Coroval. the latter controlling the old Kirk Gold, have been the only two operations to consistently carry on to the east of T.O.B. As a result of the effort on Kirk Gold, a new company was organized and the Oswego property added. Developments in this section have awakened interest in groups in the section and it is understood that the Pawnee Kirkland Co. has been approached in regard to giving a working option, involving the development of their property. This is to be submitted to shareholders.

It is understood that the Riccarton Syndicate will get diamond drilling under way as soon as the syndicate units are placed.

VICKERS GROUPS IN QUEBEC WILL BE DIAMOND DRILLED

Strong Position Reflected in Market Which is Above Par

Probably the most phenomenal advance of any stock listed on the Standard Stock and Mining Exchange, particularly during recent years, is that of Vickers Porcupine Mines.

About one year ago, and for months previous, Vickers sold in the open market to as low as three cents per share, with few buyers, but it is a well known fact that mining operations can, and do, change the value of stock. Evidently, developments have been favorable for Vickers, and, in spite of the record breaking advance, the stock of the company is in demand now above par, and in some circles higher prices are predicted.

Vickers Porcupine Mines, Limited. was incorporated in November, 1922, with a capitalization of 1,500,000 shares, $1 par. The company acquired a property in Porcupine. However, owing to unavoidable circumstances, operations were suspended after one year had been devoted to systematic diamond drilling. About this time Goldale, Armstrong-Booth and Newray were transferred to Coniaurum Mines Limited, which were backed with over $1,000,000 working capital by Coniagas. As Coniaurum surrounded Vickers on three sides, Vickers officials decided to await developments by their big neighbor, as it is generally believed both properties share the same vein system.

Enlarge Holdings

The Vickers Company then launched an aggressive policy of expansion, quite spectacular in fact, and this launched the reason for the record breaking advance in the market price of Vickers stock.

Officials of the company say that the greatest care has been exercised in the selection of properties. Of those already acquired, three in Quebec have been under exploration since early last summer. On one of these, described as Vickers No. 1, several promising discoveries have been made. No. 2 vein of this group has been exposed a length of over 800 ft. before disappearing into low ground. The east end of this vein on surface assays $14.73, across a width of 10 ft. 6 in. A channel assay across 7 ft. 10 in. gives $19.80. About 300 ft. further west the vein assays $11. The west end of the vein, where it enters a swamp, is 14 ft. wide.

Another vein, found about 300 ft. south of No. 2, runs 5 ft. wide, and has a length of 800 feet before going under heavy over-burden. This vein also shows a lot of copper.

Consulting Engineer Chas. Spearman, B.Sc., M.A., intends to do as much surface exploration as possible before the weather gets too bad and then to diamond drill during the winter.

The policy of the Vickers Company has been reported by Dr. D. A. Mutch, E.M., as follows:

> This company has been going along quietly, sawing wood and saying very little. They are actively engaged in exploring two groups in the Rouyn district. On the No. 1 group, an excellent showing of Chalcopyrite has been uncovered, and is being opened up.
>
> Their No. 2 group is in Boischatel, just south of Coniagas. We have been over the ground on both properties, and consider the geology to be most favorable.
>
> The properties have, in our opinion, excellent chances of developing importantly.
>
> The management is in good hands, and intelligent work is being carried on. Dipneedle and magnetometer surveys are under way. These will be followed by diamond-drilling, probably during the coming winter.
>
> We have rather overlooked Vickers' operating methods, which appeal to us. The parent company, known as Vickers Porcupine, which, by the way, owns valuable ground adjoining the Coniaurum in the Porcupine camp, supplies the necessary funds for the finding and exploration of new properties.
>
> Any property which develops, and which warrants the incorporation of a company, will return to Vickers Porcupine the moneys expended by them, and will, in addition, pay to Vickers one-half of the capital stock of any such company formed in return for the properties which Vickers have acquired.
>
> In this way, and provided, of course, success is met with in developing properties of merit, the life of Vickers Porcupine appears to be indefinite. The scheme appeals to us, and we consider it a good speculation.

ARNTFIELD LIKELY TO SPLIT LARGE GROUPS FOR WORK

Company Has Tremendous Lengths of Break in Boischatel

Arntfield Mining Syndicate, Ltd., has perhaps as large an area in Boischatel Township as any company in Quebec. A tremendous amount of surface work has been done with decidedly encouraging results wherever test pits have been put down. What has interfered to some degree has been the fact that in some cases the overburden is very deep.

Two English companies, Pioneer Mining Corporation associated with Huronian Belt, and Porcupine Gold Fields, did some work on different groups of the company's holdings, but these efforts, limited as they were in extent, were in no way conclusive. It is said that new negotiations are pending.

The break on the syndicate's original group has been opened up at intervals over a length of 6,000 feet, with the exception of 1,500 feet of swamp in the central part of the F. S. Arntfield Claim. Trenching and drilling has revealed good values, and in pits recently put down west of the swamp boundary, rather spectacular results, including coarse free gold, have been encountered. Some of the average values taken from this section were: over 5-ft., $17.60; 3-ft., $6.40; and 6-ft. $6.60. Another trench over 3 ft. to 3½-ft. widths, gave values of $6.40, $12.60 and $4.80.

A tremendous work has been done to the east of the swamp in opening up the big break, and the various assays show values running from $4.40 to $9.60 over attractive widths. The company has accomplished thousands of feet of trenching in this section, some of it under the greatest difficulty.

Rather an attractive looking zone of mineralization has been cut into 500-ft. north of the main break, and this is headed into the swamp. It may be that in this low ground a concentration of values will be encountered. In this group, "A" there are 1860 acres.

The new section to the west of the swamp extends approximately 2,000 feet to the Francoeur line. Nine trenches have been opened up in this section and an ore body uncovered for 1,200 feet which gives an average value of $7.53 over eleven feet. The last and most westerly trench shows ore across 35 feet averaging $8.15 per ton with sections as high as $17.20. Work is now being done to extend this area still further to the west.

There will be a great amount of development work done on this section this winter and negotiations are now in progress whereby this development will be fully financed. It is expected that a diamond drilling campaign will be undertaken.

Pioneer Mining Corporation for a short time had part of the east group under option and did a considerable amount of preliminary surface work before reaching a decision whether to go ahead with a large exploratory program or not. Undoubtedly the heavy overburden was a great problem.

The ground is favorably located for the finding of copper-gold ore and in many places disseminated copper values have been uncovered. The overburden makes surface work impracticable on nearly the whole area, and the Swedish method of electrical prospecting will be employed in an effort to locate concentrations of these values. This work will be undertaken early in the New Year.

Policy of Arntfield Mining Syndicate is to bring various groups of their property to such a stage of development that they will be attractive to large mining groups. Enough initial prospecting will be done to show the prospective value of the territory. The company retains substantial interest in each group optioned, a subsidiary company being formed to take over and develop different sections of their territory.

VIPOND CONSOLIDATED

Vipond Consolidated Mines, Ltd., during October milled 8,315 tons of ore, and bullion to the value of $63,500 was shipped.

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Members
STANDARD STOCK & MINING EXCHANGE
Adel. 6028-9
Standard Bank Bldg. TORONTO

Pioneer Mining Corporation, Limited
(No Personal Liability)

Authorized Capital—$5,000,000.00 divided into 5,000,000 shares of the par value of $1.00 each. Issued Capital—1,675,000 shares fully paid.

DIRECTORS
F. H. Hamilton, London, Eng., President
Rt. Hon. Sir R. L. Borden, G.C.M.G., Ottawa, Canada, Vice-President
J. Mackintosh Bell, Almonte, Ont., Managing Director and Consulting Engineer
Sir A. Hamilton Grant, K.C.S.I., K.C.I.E., London, England
E. H. Blake, Toronto
M. F. La Croix, Boston
W. H. Stafford, Almonte
E. Turk, London
C. H. A. Armstrong, Toronto

BANKERS
Bank of Montreal, Toronto, Ont.
TRANSFER AGENTS
National Trust Company, Toronto, Ont.
REGISTRARS
Royal Trust Company, Toronto, Ont.
LONDON AGENTS and CORRESPONDENTS
The Huronian Belt Company, Limited, 39-41 New Broad St., London E.C.2
LEGAL ADVISERS
Birkbeck, Yeo & Co., London
Lawson, Armstrong & Sinclair, Toronto
SECRETARY and HEAD OFFICE
Richard S. Dening—Trusts & Guarantee Bldg., 302 Bay St., Toronto, Ont.

The more important assets owned by the Company are as follows:

Cooper Gold Mines, Limited. The property of the Cooper Gold Mines, Limited, covers 26 claims, comprising about 850 acres in the Michipicoten District. Transport and power conditions are excellent. Equipment consisting of Compressor, Hoist, Pumps, Assay Plant, Electric Transformer, etc., has been installed. A number of veins carrying gold values have been discovered, the most promising deposit so far found being known as the Minto Vein, on which surface sampling indicates a shoot 500 feet long, averaging $10.00 of gold per ton over a width of 5 feet. Driving from the shaft, at a vertical depth of 80 feet has exposed a length of ore 550 ft. long averaging about $11.00 over a width of 51 inches. The efforts of the Company's staff are being concentrated on the rapid development of this property.

British Porcupine Mines, Limited. The Pioneer Corporation owns 390,000 fully-paid shares in the British Porcupine Mines, Limited. This Company has an authorized capital of $2,500,000 in shares of $1 each, of which 1,750,000 shares are issued. It owns four mining claims, in extent about 160 acres, in the Porcupine Goldfield. The claims adjoin the properties of the Hollinger Consolidated Gold Mines, Limited, and Vipond Consolidated Mines, Limited.

Great Slave Lake. An interest in a Lead-Zinc Discovery in the Great Slave Lake District, which, by the Company's technical advisers, is regarded as of considerable importance.

Gaspe Claims (Quebec). A mining area, covering 975 acres in Lemieux Township, Gaspe, Quebec, lying immediately to the west of the property of the Federal Zinc and Lead Mines, Limited. On the claims of the Pioneer Corporation, promising Zinc and Lead deposits have been discovered recently, and are now in process of exploration.

The shares of the Company are listed on the London Stock Exchange (England), Toronto Stock Exchange and the Standard Stock and Mining Exchange, Toronto.

Canada Had 52 Quartz Mines Producing Gold in 1925; 42 Developing

(Continued from page 17)

copper and lead smelters recovered two per cent.; and gold obtained by foreign smelters in the treatment of Canadian ores of various kinds, amounted to nine per cent. of the total Dominion production of gold.

Among Canada's mineral products, gold holds second place in point of value, being surpassed only by coal. In 1925, gold represented 15.8 per cent. of the total value of Canada's mineral output.

Steady progress, too, has been made by Canada as a world producer, and for the past four years, Canada has held third place; the Union of South Africa and the United States continue to hold first and second place, respectively. South Africa production provides more than half the world's output, while Canada produces more than three-fifths as much as the United States and more than twice as much as Australia or south America and one and one-half times as much as the continent of Asia.

Gold Mining by Areas

Ontario:—Ontario with its rich mines in the Porcupine and Kirkland Lake areas, continues to hold the lead among the gold-producing provinces, contributing 84.2 per cent. of the total gold production for Canada in 1925. In the same year Ontario's gold output represented 34.3 per cent. of the aggregate value of the mineral production for the province.

Some idea of the phenomenal growth in gold mining in Ontario may be had from the facts that in 1903 totalled only 9,096 ounces, or one per cent. of the Canadian aggregate for this metal; in 1913, the output of 219,801 ounces was 27.4 per cent. of Canada's total production; while in 1925, as already noted, Ontario's share at 1,461,039 ounces, represented 84.2 per cent. of the total for the Dominion.

In 1925, there were in the Porcupine area, six producing mines of importance, headed by the Hollinger, now one of the world's greatest mines. The others in order of their production values were: Dome, McIntyre, Vipond, Night Hawk Peninsular, and Consolidated West Dome Lake. Gold production from the Porcupine area amounted to 1,196,199 fine ounces or four-fifths of the total for the province. To the end of 1925, the aggregate yield of gold from the Porcupine area reached a value of more than $180,000,000.

Kirkland Lake, Ontario's second most important gold-producing area, discovered in 1911 and more actively developed since 1919, yielded 260,552 fine ounces in 1925. Wright-Hargreaves and Lake Shore are the two principal producers; others of importance in this camp are: Teck Hughes, Tough Oakes Burnside and Argonaut, and the Barry Hollinger of the Boston Creek camp, in addition to which there are many smaller properties being developed.

Further Increase Ahead

The immediate outlook is for further increase in the production of gold. Mines at present producing are steadily increasing the capacity of their mills, enlarging the operations of their mines and acquiring additional property. Hydro-electric power plants have been increased and the supply is now sufficient for enlarged operations.

Several deposits within the area of the Porcupine and Kirkland Lake camps, although not producing, are being vigorously developed and may be expected to add to the general output. Discoveries of gold ores, made from time to time in many parts of this province also add greatly to the probability of increased production.

Late in 1925 some apparently important discoveries of gold were made following some earlier efforts, near Red Lake in the District of Patricia, Ontario. This place is near the Manitoba boundary line more than 100 miles north of the National Transcontinental Railway line, and somewhat less distance east of Bull Dog Lake in Manitoba. Several leading gold mining companies have become seriously interested in the district, and thorough exploration is in progress. Attention had already been called to the locality by the Geographical Survey over thirty years ago, and more recently by the Ontario Bureau of Mines. Geologically, the area is a Precambrian complex. Keewatin lavas and later sediments (conglomerate and slate) are intruded by granite and prophry. Quartz veins occur, and lavas in contact with quartz porphyry intrusions are characteristically altered. Owing to the keen interest this field has aroused, its merits should soon become definitely known.

Re-examine Old Localities

The knowledge and experience gained in the successful development of gold mining in Ontario during the past thirteen or fourteen years is now leading to re-examination of many localities that were unsuccessfully opened at earlier times, especially those along the main line of the Canadian Pacific Railway north of the Great Lakes and in the district of the Lake of the Woods. The Goudreau and Michipicoten areas are among those which are receiving renewed attention. Well-known mining companies are engaged in exploration and development work, and results so far obtained are reported as promising.

The producing gold deposits of Ontario occur under somewhat uniform conditions, but with local variations. All are in rock of Precambrian age, and the principal producing deposits are associated with acid intrusives of Algoman age in volcanic or sedimentary rocks of earlier age.

British Columbia: — British Columbia, holding second place among the gold-producing provinces, contributes about 13 per cent. of the Dominion total for this metal, but most of this yield is obtained from the smelting of ores in which other metals predominate. In the early days, placer production from the Cassiar and Cariboo districts was of greater importance than it has been in recent years. From 1858 to 1892 yields from the placer deposits of British Columbia made up the entire production of gold from the province; in 1895 the recovery of gold lode deposits was greater than from the placers, and represented only six per cent. of the total; while gold from milling ores made up another nine per cent.; gold obtained in the smelting of gold-bearing ores, treated primarily for other metals, constituted 19 per cent.; and gold in similar ores exported for treatment, made up the balance or 66 per cent.

In lode mining the Portland Canal division furnishes a large production of gold. In 1925 it gave more than 56 per cent. of the gold output of the province. This district includes the Premier mine. Trail, (Rossland) Skeena, Boundary-Yale, Nass River and Coast divisions follow in importance. The deposits of Portland Canal, Trail, Skeena and Nass are complex ores, which are important for their content of silver or base metals as well as for gold.

Chances for Prospecting

The gold lodes of British Columbia are either in or associated with ingenious rock, especially where these invade rocks of earlier age. Such conditions obtain over vast areas along the border of the Coast range and also in other parts of the province. Since the main geological features are on a large scale and the province is but sparsely inhabited, it follows that many such zones of contact that are favorable for the occurrence of minerals of value, are still little known in detail over great distances. Consequently the province offers a field for prospecting that is of great magnitude and promise, and increased production may be looked for with confidence.

Yukon:—Still holding third place among Canada's gold-producing geographical divisions, Yukon Territory produced 47,817 ounces of fine gold in 1925 from placer gold recoveries. Following the discovery of placer gold in the Yukon in 1896, there was a great rush to this new field, and the placer gold output from the Territory increased enormously in the next few years, reaching a maximum in 1900 when the yield totalled more than a million ounces of fine gold. For a few years, production continued on a large scale, but by 1908 the annual output had dropped to about 174,000 fine ounces. Lode mining was undertaken in a small way about 1910, but production from this source never reached very great proportions.

Placers Were Active

During the years 1909 to 1913 there was once more a steady upward trend due to increased placer workings. In the following year a recession set in, and the output has shown a continual shrinkage year by year, from 1914 until 1925, when there was again a slight upward turn to production; the output amounted to 47,817 fine ounces as compared with a total of 34,825 fine ounces for 1924. In 1925, there were five companies and approximately 93 individual operators working placer deposits in the Yukon. During the year, work was done on 120 miles of ditches and the quantity of material handled was estimated as 2,721,992 cubic yards. In crude placer, about 80 per cent of the weight is fine gold, 18 per cent. silver, and two per cent. base metal or material of no value.

Prairie Provinces:—Manitoba, Saskatchewan and Alberta.—The major part of the settled portions of the prairie provinces, Alberta, Saskatchewan and Manitoba, is underlain by rocks of sedimentary origin and of comparatively late age. It is, therefore, not likely to contain deposits of the precious metals. Alluvial gold is found in the Saskatchewan river in Alberta, but its recovery has not been found profitable.

The northwestern part of each of these provinces, however, occupies a portion of the Laurentian plateau which is underlain by rocks of Precambrian age, and in many places is favorable for the occurrence of gold or other valuable minerals.

In Alberta the Precambrian area is small, about 5,000 square miles, and as yet no gold occurrences have been reported from it. In Saskatchewan, it occupies about one-third of the province, and in Manitoba it is still larger, comprising perhaps two-thirds of that province.

Northern Section Rich

Near the margin of the Precambrian, adjacent to the Manitoba-Saskatchewan boundary, is an area known as the Pas district, in which gold, along with copper and pyrites, is found over a wide area, in bodies, some of which are large. A small amount of gold was recovered from some rich copper ores that were mined for a time at the Mandy mine in this district. Free-milling gold was also mined for a time at the Rex mine, in the Herb or Wekusgo lake district, eighty miles northwest of the Pas.

Other deposits of both classes of ore are found in the region and have received more or less development. Enormous deposits of copper-bearing pyrite at Flin Flon, one hundred miles north of the Pas also have an appreciable gold content. This property has lately changed hands and is under investigation by the new owners with a view to operation.

In Manitoba, east of Lake Winnipeg, prospecting has been carried on for as long as ten years. Numerous occurrences of free gold have more or less developed in the vicinity of Rice, Gold and Long Lakes, and more recently at Bull Dog Lake, near the Ontario boundary line. Intensive work was carried on in the Long and Bull Dog lake areas throughout 1925 by strong mining companies of successful experience; the outlook is hopeful for an important mining camp.

Geology Much the Same

Geological conditions are broadly similar to those of other parts of the Precambrian complex in which gold is found.

Quebec:—So far, Quebec has not been a great producer of gold or gold-bearing ores, but recent work in the Rouyn field indicates that in the near future, this province will become of much more importance as a producer of metals, including gold, than it has ever been in the past. In reviewing the situation in Quebec, the fact that the ores of the Rouyn area are largely copper-gold, with some containing zinc as well, makes it necessary to consider the problem in connection with the production in other provinces from similar ores; this is done in the bulletin on the "Copper-Gold-Silver Industry," which should be read in conjunction with the present bulletin.

Suffice it to say, here, that the gold production from Quebec ores, to date, has been recovered from gold-bearing pyritic ores sold primarily as a source of sulphur for acid manufacture, and from lead ores, usually exported for treatment.

Nova Scotia:—Gold, obtained mostly from free-milling ores, and partly from gold-bearing ores containing arsenic, continued to be one of Nova Scotia's important items of mineral production from about 1862 until 1903, and during these years deposits were worked, the annual yields varying from 6,863 fine ounces in 1862 to 30,348 fine ounces in 1902, with an average production of possibly 20,000 ounces each year. In 1904, production dropped to 10,362 ounces, and the output held around this figure until 1910; since then there has been no appreciable revival in production, and in 1925 the total output was only 1,626 ounces.

Nova Scotia possesses a large number of small gold lodes in quartzites and slates of Precambrian age. In places these yield very rich ore. They have been worked irregularly during the past sixty years and have made a total production little short of $19,000,000.

Several of these mines have been recently reopened. There is renewed interest in the region and further activity may be expected. Hydro-electric power is now available in most parts of the province.

Alluvial Gold Mining Industry

It is very difficult to secure complete information on placer mining in Canada, since placer fields are mostly remote and except in a few cases, are operated by small numbers of men of no fixed abode. Dredging companies and hydraulicking companies send annual returns to the Bureau and with the aid of the **Mining Lands Branch** of the Department of the Interior, some definite information is thus obtained regarding the Yukon Territory.

Statistics on the production of placer gold in British Columbia are obtained from the reports of the resident mining engineers in each of the mining districts who are in close touch with the mining operations in their districts; this figure for placer gold is believed to be approximately correct. In 1925, the output was reported as 16,479 crude ounces. Analyses show that placer gold contains, on the average about 80 per cent. gold, 18 per cent. silver, and two per cent. metal, so that the fine gold in the output amounted to 13,181 fine ounces worth $272,475 when valued at the standard rate ($20.671834) for an ounce of fine gold. One dredging company operating in the Cariboo district employed 25 men and paid $39,876 in wages, for the recovery of 5,533 ounces of crude gold from 381,900 cubic yards of material. The remaining placer production of British Columbia came from the work of individuals operating in the Atlin, Liard, Stikine, Cariboo, Quesnel, Ominica, Peace River and other smaller districts.

During 1925 in the Yukon, five companies recovered 45,156 crude ounces or about 75 per cent. of the total quantity won, and employed 245 workers to whom wages amounting to $307,572 were paid. The total amount of earth handled by these operators was 2,721,992 cubic yards in the working of some 120 miles of ditches. There were also 93 prospectors or individual lessees who carried on work during the season, accounting for approximately 15,000 crude ounces of gold.

Auriferous Quartz Mining

In 1925 there were 52 auriferous quartz mines operating in Canada, and of these 27 produced bullion or shipped ores, while 42 carried on development work only. There were 36 mines operating in Ontario, 11 in British Columbia, four in Nova Scotia and one in Manitoba. The corresponding data for 1924 were: Ontario 41; British Columbia 11; Nova Scotia six; Manitoba two; and Quebec 10. All the properties mentioned as gold properties operating in the province of Quebec during 1924 were re-classified as belonging to the Copper-Gold-Silver group in 1925. Ontario mines produced over 90 per cent. of the total gold recovered from the auriferous quartz mines of Canada.

In 1925, the ore mined totalled 3,646,460 tons, of which 3,527,021 tons were put through the mills and 3,458,451 tons were cyanided. About 176,569 crude ounces were recovered by amalgamation and 1,713,903 crude ounces by cyanidation. Shipments of bullion having a total net value of $30,825,895, amounted to 1,890,101 crude ounces containing 1,482,294 fine ounces of gold and 254,514 fine ounces of silver. Ores and residues and high-grade slags shipped to smelters were valued at $4,275,908.

The total capital employed in this

(Continued on page 30)

HAULTAIN MINING COMPANY
LIMITED

Authorized Capital $3,000,000.00

Board of Directors:

Brigadier General Chas. A. Smart, C.M.G., M.L.A., *President*
J. J. Trickey, *Vice-President*

R. A. Aitken
Peter D. Lyall
John Lowe
Alfred G. Gardner
L. McI. Spackman
Brigadier General Jas. G. Ross, C.M.G.
Lt.-Col. James Cooper, *Sec.-Treas.*
The Can. Bank of Commerce, *Bankers*
A. F. C. Ross, *Auditor*
Frank Carnegie, B.E., *Mine Manager*

PROPERTIES

The company holds 9 mining claims, situated in the adjoining Townships of Haultain and Lawson, in the Gowganda silver area in the district of Temiskaming, Northern Ontario.

BUILDINGS

All the necessary buildings to enable the full development of the claim, where mining operations are now being carried on, are erected on the property and further buildings as required from time to time will be provided.

ENGINEERS' REPORTS

Reports by the following Engineers have been issued to shareholders and are on fyle at the office of the company:

By W. A. Simpson, M.E., dated Aug. 21, 1923.

By N. J. Evered, M. I., M.M., dated March 9, 1926.

By Frank Carnegie, B.E., (Mine Manager), dated April 24, 1926.

EQUIPMENT

The necessary plant to operate five drills, including boilers, heaters, and a Rand Compressor of 500 cu. ft. capacity, is on the property and in good working condition. There are also one hoist with a hoisting engine, three steam pumps, one electric light plant complete with switchboard (150 light capacity) as well as ore cars, rails and other equipment necessary to operate a modern mine.

FINANCIAL

The company has recently increased its capital stock from $2,000,000 to $3,000,000 by Supplementary-Letters-Patent, dated April 10, 1926.

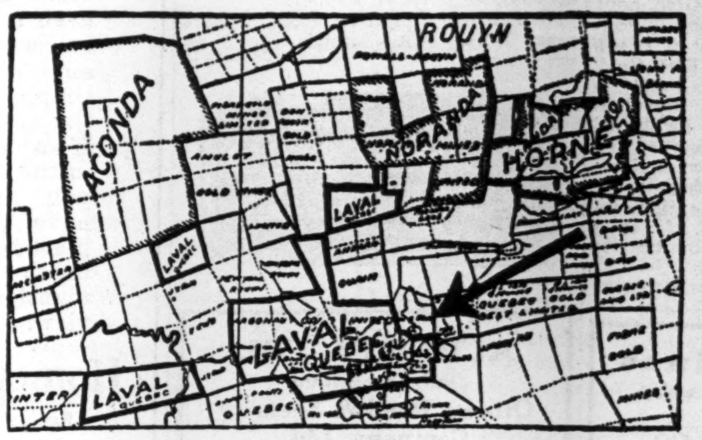
MANAGEMENT

Included in the Board of Directors are several gentlemen who have had long and successful experience in mining enterprises, whilst the mine management is in the hands of Mr. Frank Carnegie, B.E., a member of the Association of Professional Engineers of Ontario, who is well known in mining circles in Canada.

EXECUTIVE OFFICE
412 CANADIAN PACIFIC EXPRESS BUILDING
MONTREAL

LAVAL-QUEBEC MINES, LIMITED
CAPITALIZATION:
Authorised - - $5,000,000
Issued - - - $2,500,000

Laval-Quebec is situated in the Heart of the Rouyn District



Note its Close Proximity to Noranda and Horne Claims

TREASURY

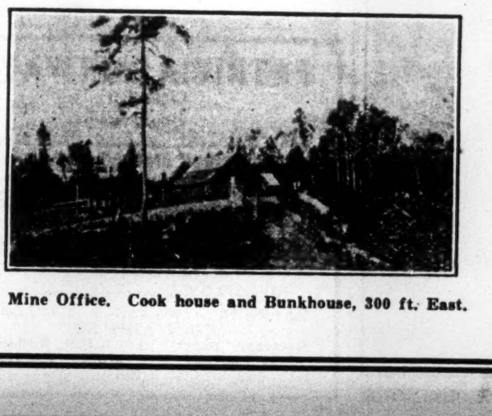
The Company has $120,000 in the Treasury, and has arranged additional financing to carry on large-scale operations.

PROPERTIES

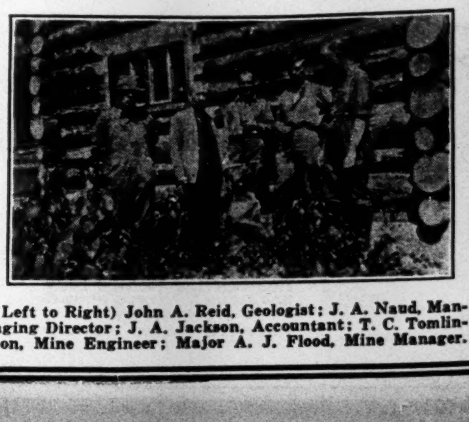
The properties consist of approximately 2,700 acres, being roughly as follows:
About 400 acres adjoining the Noranda main holdings on the West.
1,453 acres in South group, located a few claims removed to the South-West of the main Noranda holdings, and tying on to the Noranda "Island" group.
The North group comprises 600 acres close in on the North of the Waite-Ackerman-Montgomery.
The West group of 320 acres is two claims removed from the South holdings.
Dip needle and magnetometer readings to date have given evidence of strong mineralization.
Ore occurrencies proven at several places by way of trenching to be followed by diamond drilling beginning early in November.

BOARD OF DIRECTORS

Hon. Senator P. E. BLONDIN, *President.*
PAUL GALIBERT, *Director.*
Maj. E. STUART McDOUGALL, *Director.*
J. H. RAINVILLE, *Director.*
J. A. NAUD, *Vice-President.*
W. B. REID, *Director.*
R. J. CROUCH, *Director.*
A. BRODEUR, *Secretary.*
L. A. MARCHAND, *Treasurer*



Mine Office. Cook house and Bunkhouse, 300 ft. East.



(Left to Right) John A. Reid, Geologist; J. A. Naud, Managing Director; J. A. Jackson, Accountant; T. C. Tomlinson, Mine Engineer; Major A. J. Flood, Mine Manager.

Increase of $10,000,000 in B.C. Mineral Output is Indicated This Year

All Branches of Industry Are Up Except Coal

COPPER VERY HIGH

Lead, Zinc, Gold and Silver All Show a Material Increase in Values

British Columbia will produce $70,000,000 in mineral wealth this year, E. A. Hoggen, M.E., a well-known Vancouver, authority, estimates. Dividends paid will total $7,500,000. Both figures constitute a new record for the province.

Larger production on Cedar Creek and Kafue Copper dredging on Antler Creek have boosted placer gold production to about 17,000 ounces. Lode gold production is higher. Surf Inlet mine closed, but the loss was more than made up by the Engineer at Atlin and Premier Mine at Portland Canal, as well as the increase of by-product gold. The latter is from the Granby Company's operations at Anyox, the Allenby Copper Company's mine at Princeton, and the Britannia Mine on Howe Sound.

The copper production this year will be about 95,000,000 pounds, the largest in the history of the province, and about 23,000,000 pounds greater than last year. The silver production and the lead output each set new records.

A copper output of such proportions is far ahead of any previous record, the 1925 figures being 72,306,000. While copper prices averaged fractionally lower, the income will be about $3,000,000 higher.

British Columbia accounts for two-thirds of the entire copper output of Canada, Granby, and its subsidiary, Allenby Copper, account for two-thirds of the production of copper and Britannia for about a third. Granby smelts its own crude ore at Anyox, but the concentrates from the mill at Anyox are shipped to Tacona for smelting and refining, as are also the concentrates from Britannia. The Allenby concentrates are smelted at Trail, the copper refined there and manufactured into rods and bars and put on the Canadian market as the finished metal product.

Copper Industry

Considerable progress is being made in the copper industry. The Granby Company is increasing its mill capacity at Anyox to 3,000 tons a day. Allenby Copper has an objective of 2,000 tons a day with its present plant, and capacity for doubling that when the copper market warrants it.

A new copper mine of importance is the Old Sport at Quatsino, Vancouver Island, owned and operated by the Coast Copper Co., Limited, which is a subsidiary of Consolidated Mining and Smelting Co., Limited. This mine has belied all previous experience with contact metamorphic deposits in British Columbia. These have so far proven erratic and shallow.

British Columbia will produce this year about 10,000,000 ounces of silver, the highest in the industry. This is an increase of nearly 50 per cent. over last year. Even on the reduced average price the value of the production will be about a million dollars over 1925.

The increased production of silver is due to the demand for lead and zinc, with which the white metal is invariably associated, and to the by-product of the copper mines. The Sullivan and Premier Mines, besides Slocan and Beaverdell mines generally are the largest producers of silver. A new producer is the Horn Silver Mine of Similkameen, which turns out pure bullion by cyanidation.

Lead Sets New Mark

British Columbia produces 95 per cent. of the total lead output of Canada. Production again shows an increase this year, and will reach about 250,000,000 pounds, of a value of over $21,000,000, the record for the province. This enormous output comes mainly from the Sulivan Mine, where the ore reserves are now estimated at 88,000,000 tons, placing the Sullivan in the rank of the world's largest silver-lead-zinc mine.

Representatives of British and American capital are scouring the province in the search for lead mines, and hoping they may have the good luck to strike another Sullivan. The outlook for the lead market is good. There is a world scarcity of the metal, and it is expected to reach the scale of copper prices.

The Consolidated Mining and Smelting Company put into operation this year the new 500-ton mill built at the old St. Eugene Mine at Moyie, and is shipping to that plant the surplus output of the Sullivan Mine which cannot be handled at the Kimberley plant. The Dunwell Mine at Portland Canal has a new 100-ton mill in course of construction, and several other mills are projected for handling lead ores. The price averaged a little less for this year.

Zinc Demand Increasing

The most remarkable feature of recent metallurgical progress has been the recovery of zinc from complex ores which formerly defied treatment, and the increasing demand for the metal, which is a close second to lead.

The output of zinc in British Columbia this year will be around 122,000,000 pounds, also mainly from the Sullivan Mine. The value will be about $9,000,000, again a record in the mineral production, and an increase of about $1,250,000 over last year.

New features of the industry are the increase of the custom mill of the Consolidated Mining and Smelting Co. to 500 tons a day, and the application of the Gordon process for recovery of lead and zinc by leaching, to which the old Ladysmith Smelter on Vancouver Island is being adapted.

Coal Output Down

The production of coal for heating and power is a little over 2,000,000 tons. Coal is the one mineral that shows a distinct drop in production, due to competition from fuel oil. This year, however, there is a larger production of coke, the demand for which appears to have trebled.

The only coke producer is the Crows Nest Pass Coal Co., Limited. It has found increased markets in the larger demand from the Trail Smelter, and the use of an excellent domestic coke which it produces for supplying a clean and smokeless fuel for heating apartment houses, business blocks, railway and tramway cars, schools and colleges. In view of the iron and steel industries projected, there is likely to be an increasing demand for coke, especially from Crows Nest Pass coal, which makes one of the best metallurgical cokes on the market.

Other Minerals Increase

The production of brick, building stone, cement, sand and gravel shows an increase with the building and road construction activities in evidence this year. The B. C. Gypsum Company is now a large producer of this mineral, operating mines at Grande Prairie in the Kamloops district, and a factory at New Westminster.

Trail Smelter is now producing antimony as a by-product of the antimonial silver-lead ores of the Slocan. The output of lime for the pulp and paper plants and smelters shows an increase.

Consolidated Mining and Smelting Co., operating Trail Smelter and Sullivan Mine, employs 4,000 men at an average wage of $4 per day. The labor problem is satisfactorily solved by the constitution of representative committees organized for consultation through a central executive for conferences with the management on grievances; co-operative interest in the industries by allocation of shares according to seniority, and bonus in accordance with prices of metal over normal.

Smelters Profits Up

The company's profits this year will be about $5,500,000, as compared with $3,960,763 for 1925. The company is investigating phosphate deposits in East Kootenay with a view to going into the manufacture of fertilizers. The tailings of Sullivan Mine contain iron, copper, tin and cadmium, and it is proposed to recover these values from the storage dumps. The company has successfully manufactured high-grade steel from its iron residues and may undertake this development on a commercial basis.

Electrical prospecting was successfully applied during the past summer to the location of ore deposits at the Britannia Mine, and has been applied at the Stemwinder.

Victoria Syndicate

The Victoria Syndicate of London, England, subsidiary of Brunner-Mond and Mond Nickel Companies, has developed a new mine, the Drum Lummon, in the Pend O'Reille section of Nelson Mining Division, also a body of zinc ore in the old Hudson Bay Mine on Sheep Creek. The company has also taken up 500,000 shares in the Ruth-Hope Mine at Sandon, where a large amount of ore is being developed in the Silversmith vein. This has been picked up in Ruth-Hope ground beyond the fault.

A British-Canadian, a Swedish, and an English company all have in hand projects for the establishment of iron and steel works in British Columbia.

P. G. F. Does Well

Porcupine Goldfields, which is a subsidiary of Consolidated Goldfields of South Africa and Central Mining Group of London, England, is successfully developing the Goodenough Mine at Ymir, south of Nelson, and has also acquired the old Ymir Mine, in its day one of the leading gold mines of the province. The management is confident the last orebody in the latter can be found beyond the fault and the mine brought back to production. This company is also operating the Stemwinder in East Kootenay and several old mines in Slocan, while it has also taken an option on Lynn Creek zinc at North Vancouver.

Several companies are negotiating with F. Tayor for the acquisition of his gold property at Toplin, where a large body of auriferous ore is reported.

A British company proposes to instal a smelting and refining plant on the British Columbia coast if supplies of ore can be assured.

DON ROUYN HAS ACQUIRED GROUP NEXT TO NORANDA

Gives Company Attractive 800-acre Block — Directors Financing

Don Rouyn Gold Mines further operations are being financed by the directors putting up 5 cents per share held. The loan bears 6 per cent. interest and is repayable Nov. 1, 1928. Pres. F. J. Pakee stated this will finance 2 years' work, and will meet payments on Brault and Hill Groups recently acquired, and which adjoins Don Rouyn's property to Noranda. The company is now having magnetic surveys made prior to proceeding with diamond drilling which will be resumed without delay.

Discussing the position of the company, Pres. Pakee says that he considers the recent acquisition of the Brault and Hill properties which gives the company 800 acres in one block, has largely increased the value of the property. He adds that the diamond drilling last winter was most instructive and they expect to resume this work next month. The surface work done for the past six months on No. 1 Area has been encouraging. He says that the Malartic property has demonstrated some high gold values, and they are now confirming the results found last year. He adds in regard No. 1 group:

"Previous magnetometer readings indicated several extensive underlying zones of attraction. The extensive work already done bears most encouraging results, so much so, in fact, that your directors deemed it most desirable to acquire additional property, approximately 400 acres, immediately to our east, between this and the Chadburn property of the Noranda group. Our central property is now approximately twice the former area, namely 800 acres. That this purchase was justified is evidenced by the fact that massive chalcopyrite has been found by trenching, believed to be the extension of the large disseminated zone on your No. 1 property.

"As a matter of fact, I feel somewhat reluctant to convey to you the impressive effect which the showings have had on the various examiners who have been on the property. If such showings continue to depth and even if but a small percentage of the optimism aroused by these showings should be ultimately realized, there seems to be every reason to believe that the Don Rouyn properties will produce one of the large mines in the Quebec area. You will be interested to know that one of the most eminent mining men in America, after personal examination of the property, purchased a large block of shares and stated that if he could not replace his shares, he would not sell them at a very much higher price than the present market price.

"It would appear from the work done so far that the indications are that a very large tonnage of ore will be blocked out. I am giving you this information because I want you to know as much as I do about the property, so that you may be guided accordingly.

"Regarding the financial conditions of the company, there are now approximately one million and a half shares in the treasury. In buying the 400 acres adjoining our original Don Rouyn property and in order to provide the necessary capital for approximately two years' work at a rate which we expect will indicate many tons of ore by diamond drilling and underground development, it was necessary to provide ample working capital. The directors did not deem it advisable to sell stock from the treasury under present market conditions, until such time as developments established these shares at a much higher value, and rather than offer these shares at a price that would be prejudicial to the company's best interests, your directors decided to loan to the company the necessary funds and thus conserve the treasury shares. This bespeaks the confidence of the directors in your property and they believe that they will have a real mine, capable of a considerable output. They consider the loan a perfectly safe one, and invite all stockholders to participate pro rata should they choose to do so. There is nothing compulsory about this offer. It is purely voluntary and non-participation will not prejudice individual shareholders."

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Towagmac shares have sold up to $4.25. There are about 750,000 shares issued.

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Psychological Move of C.N.R. on "Smelters" Quebec Groups

Preliminary mapping of the spur lines and extensions which the Canadian National Railways has prepared for Northwestern Quebec, shows that where possible, the C.N.R. officials have made it a point to run their lines as close as possible to the holdings of Consolidated Smelters. This concern in which the C.P.R. is the principal stockholder has a couple of important groups, one in Duprat and the other in Montbray. In these two instances, preliminary C.N.R. plans are to cross these groups.

It looks like as if C.N.R. was making a psychological play. If it can satisfy Smelters' railway demands, then it may be that the C.P.R. will not be so interested in building a railway into the camp and thus making a bid for a part of the tonnage.

Knox Group, Optioned to N.Y., Shows Well

New York interests, developing the Knox Gold Group in Malartic Tp.—the gold area—have opened up a vein, showing of good width, well mineralized and carrying considerable gold.

A grey feldspar porphyry intrusion was located on this property, and it varies in width from 100 to 200 feet, and has been traced for a distance of 8,000 feet. About the centre of this porphyry a heavily mineralized vein, consisting of quartz and schisted porphry was disclosed showing free gold. Pannings from this property would indicate that values would run high.

This property comprises about 1,700 acres, and at the present time it is being thoroughly sampled. This find was made recently, and future plans are dependent on the values shown by the assays. J. A. Knox is in charge of operations. Two payments have been made on the option this summer, one of $10,000 and another of $7,500. This summer about $10,000 was spent on development work.

Dome Once Made 50% Profit on $2.50 Ore Body

Porcupine Paymaster plans to treat 1,200 tons of ore daily in about a year's time, and expects that millheads will run around $3.

As this average content is much below the lowest per ton cost in the camp, many are skeptical as to the outcome.

Perhaps a partial answer to this was secured by the writer from Jos. Houston, M. E., recently. During a discussion of the early operations at Dome, he told how the mill was kept going for a considerable period on $2 50 ore which netted a 50 per cent. profit. It was a large low grade body cut by a raise. No teaming or mucking was necessary, and the cost of mining ran 27c., and milling $1.

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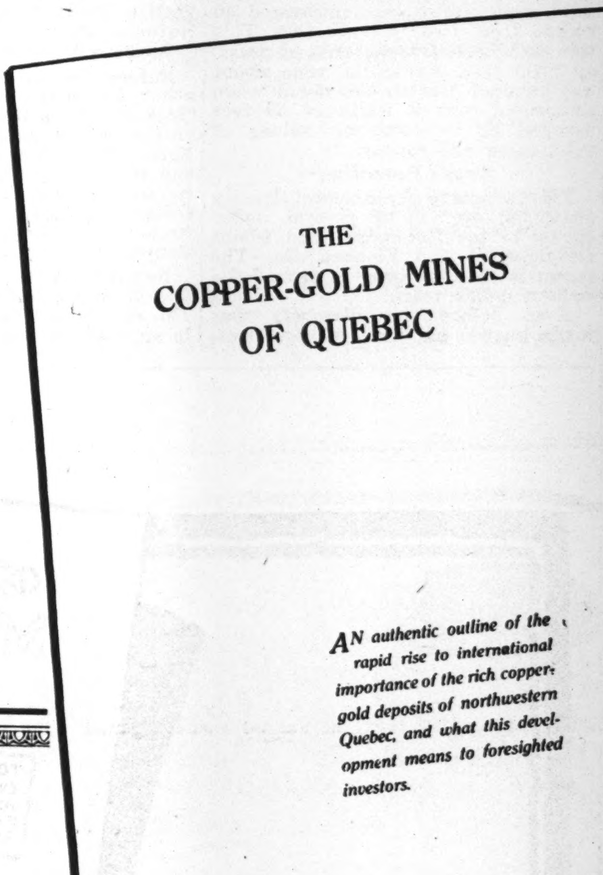

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We feel that this 16-page booklet, being an authentic outline of the hardships surrounding the early discoveries and the rapid rise to international importance of the rich copper-gold deposits of Northwestern Quebec, should be in the hands of every investor, as it treats this important subject from a human, as well as an economic standpoint in a very interesting manner.

A most up-to-date map

(21″ by 23″) of the entire district is also contained in this booklet, and should prove valuable.

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Please send me free copy of booklet entitled The Copper-Gold Mines of Quebec with accompanying map of Northwestern Quebec.

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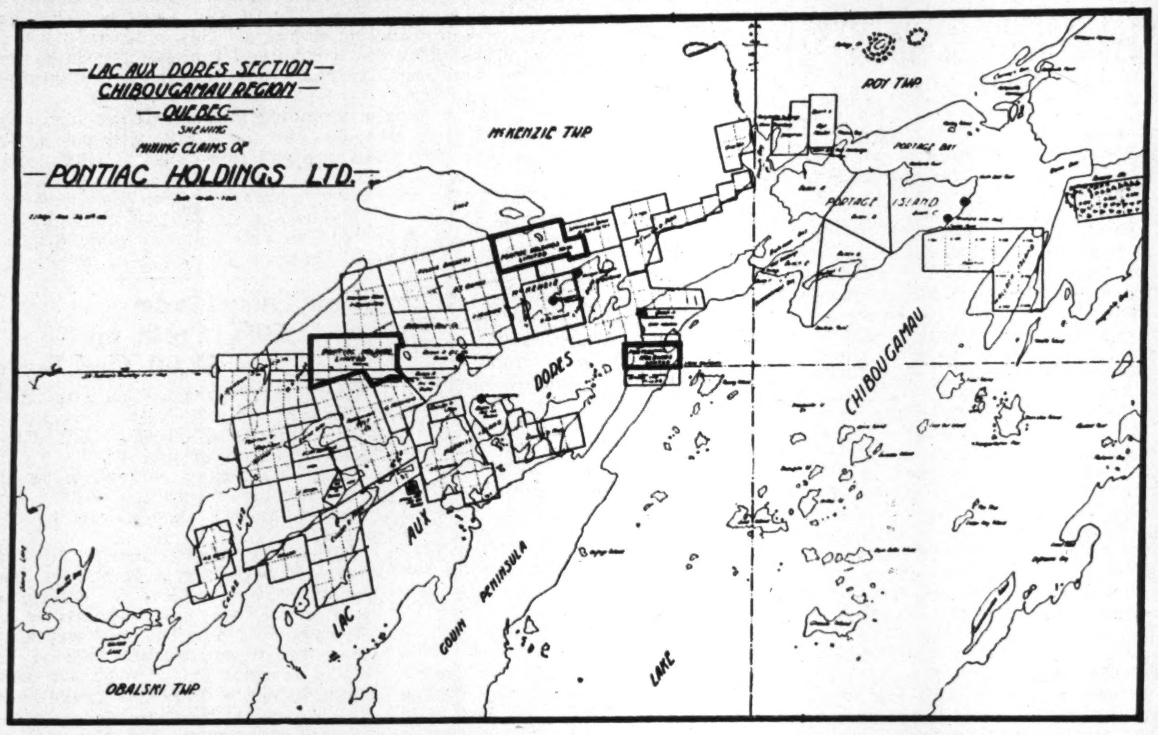
With Ideal Geology and Important Finds the Chibougamau Country Looks Quite Attractive

Gold-Copper Discoveries May Ultimately Rival Rouyn

CHANCES FOR RAILWAY

Pulp and Paper Development May Mean Transportation Will Come Quickly

By J. F. B. DAVIES, M.E.



Chibougamau, north of the Transcontinental Railway in Quebec, just about the same distance from transportation as Red Lake, 120 miles, has been attracting a great deal of attention during the past year and gives every indication of developing into a camp of some magnitude. Situated as it is to the northwest of the rich Lake St. John agricultural area, and in a section that is coming to the front rapidly because of the growing interest in the pulp and paper industry of that section, the district holds much promise for mining.

There is already talk of a railway into the section, primarily for the pulp and paper interests, but it would be of material help to the agricultural claybelt and also a boom to the exploitation of the minerals.

Much Staking Done

A large number of prospectors were in the area during the past summer, going in by way of Oskalanes on the C.N.R. There is a good water route this way. However, it is believed that the pulp and paper industries are more concerned with the Lake St. John section, and they may influence the Lake St. John and Chibougama Railway to build in from St. Felician and to lease the line to the Canadian National which runs up to the lake head. The Mistassani Pulp and Paper Co., it is said, will go ahead with plans for a 200 ton paper mill, and the road would help this company and also serve the holdings of Price Brothers and others.

Some idea of the value of the country that would be passed through is shown by the fact that there are 128 cheese and butter factories in the Lake St. John country, and the population is about 65,000. There is a beautiful mixed farming area leading up to the Height of Land and it is along this section that the mineral zone extends.

History of Area

Gold and copper has been known to exist in this region for several years. Considerable work was done on Portage Island on gold and copper deposits about twenty years ago, and also on asbestos deposits on Asbestos Island, both on Chibougomau Lake. In 1911 a thorough geological report was made of the district and detailed examinations of all the known properties, by a commission appointed by the Quebec Government, with the object of deciding whether railway transportation was warranted.

In those days Porcupine was struggling for existence, Kirkland Lake was unknown—and Rouyn was not thought of. The commission reported the geological conditions ideal for copper and gold deposition and that there were good chances of commercial bodies of hematite nickel and asbestos being found.

The final decision of the commission was that the field was too remote to justify the building of a railroad, and without railroad communication the development of the country would be too costly.

Geology Excellent

The outstanding geological feature is a large batholith of anorthosite intrusive into Keewatin volcanics on the north, and with granite on the south. This batholith is about 30 miles long and about 4 miles wide. In some respects this formation closely resembles the norite basin of Sudbury.

The large areas of Keewatin schists are similar to the rock types associated with gold in Porcupine and Red Lake.

The asbestos formation is serpentine and comparable to the Thetford and Black Lake Districts.

Cobalt formation exists and the presence of Cobalt bloom suggests the possibility of silver discoveries.

Operations to Date

On his return from the war, Capt. H. L. F. Blake organized several prospecting partners, and made important discoveries in gold and copper on Lac aux Dores, adjoining Chibougomau Lake. These properties were examined in 1921 by Capt. James A. Ross of the Milton Hersey Co., who reported channel samples from gold ore as high as $145.56, and in copper-gold ore as high as $118.34.

(These results are reported in the booklets issued by the C.N.R., 1925 and 1926, on Mineral Resources of Eastern Canada).

Mr. Blake and his associates turned their attention to the more popular district of Rouyn and for a time the country was forgotten except by occasional prospectors who visited the area.

Again to Front

When the wonder camp of Rouyn became known and Red Lake made such strides at such a distance from the railroad, Chibougamau's possibilities again attracted the attention of prospectors and engineers.

P. G. McKenzie, son of Peter McKenzie, who staked the McKenzie property on Portage Island a generation before, took a party in to Lac aux Dores in the fall of 1925. Prospecting resulted in the discovery of gold and copper in quartz and silicifrid Keewatin near the Anorthosite-Greenstone contact on the north side of Lac aux Dores near Cedar Bay. A shaft was put down to a depth of 24 feet and careful channel sampling gave an average of $24.50 in gold across seven feet. The copper content was not taken into consideration, although near the shaft solid chalcopyrite was uncovered in widths from two to three feet. This vein has been traced for a distance of 2,000 feet. A parallel zone about one hundred feet to the north when channelled over a width of 20 feet assayed $9 in combined values of gold, silver and copper.

Looks Promising

This property looks exceptionally promising, and is at present under option to the Porcupine Gold Fields Development and Finance Co. The rumor is that the price is around the million dollar mark.

Even before this discovery was made known, old time pioneer prospectors were "hitting" the winter trail. These included Austin Dumond, Walter Paul, Andy Cullin, and the Huronian Belt Co., represented by R. J. McDowell and R. J. Gilman.

Before the ice had left the lakes about 25 parties were preparing to "kick-off" from Oskaloneo. Noticeable on the trail were the Springer Bros., Keller Bros., Messrs. Davies, Bolger and Woods, who staked for the Pontiac Holdings, Ltd., Jack Miller, Jack Gillies and many other old timers from Cobalt, Gowanda, Porcupine and Rouyn.

Several claims were stated along the Anorthosite-Greenstone contact. The mineralization is widespread and in spite of the heavy overburden and deep growth of moss, many promising discoveries have been made this summer in preliminary prospecting.

Has Possibilities

What the future of Chibougomau will be, remains to be seen. The geology is ideal and up to date prospecting methods should reveal many important ore deposits. The present situation is comparable to Rouyn at the same stage of development five years ago. The pulp and paper interests working in the Lake St. John district are contemplating the construction of a railroad into the area. If this were done, operations could be carried on at less cost than in Rouyn. Chibougomau would be less than 150 miles from tide-water on the Saguenay. Will the Quebec government waken up—realize the situation, and what another Rouyn would mean to the province? Co-operation between the government and the aggressive pulp and paper companies in providing railway transportation would soon put Chibougomau on the map as a second big gold-copper-camp in Quebec.

WORK OR GIVE UP MINERAL LANDS

Nova Scotia Takes Steps to Halt Blanketing of Mining Areas

HALIFAX, N.S.—Mineral lands in Nova Scotia must either be worked or forfeited, according to a communication from the Natural Resources Department of the Province. Nova Scotia government has decided that holders of mineral areas in Nova Scotia must work their holdings or have them forfeited in the event of application being made under and in compliance with the provisions of the Mines Act. The decision is based upon an interpretation of sections of the Statute which provides that the Governor-in-Council may forfeit mineral areas after they have been held for a stated number of years, during which time no effective work has been done upon them." Already one forfeiture order has been issued.

Acquires Three Additional Claims in Cabot Tp.

Acting on the advice of W. E. Simpson, consulting engineer, Porcupine Kirkland Gold Mines has acquired three additional claims, Nos. T.R.S. 5241, 5242, 5243, adjacent to the company's group in Cabot township, south of Porcupine. This new addition gives the company now an exceptionally good holding. The work on the Westree road is being speeded up, and favorable progress is being made.

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Teck-Hughes Net Was 15½%: Mine Position Considered Excellent

Surplus Now Stands at Thirty-four Cents Per Share

COSTS LOWERED

Large Bodies of High Grade Ore Are Opened Up During the Year

Teck Hughes for the year ending Aug. 31, 1926, showed net profits of $751,633 or just about double that of 1925. This works out at about 15½ per cent. on the dollar shares, and 10 per cent. more was paid to shareholders, leaving 5½ per cent. for surplus.

This is by far the best showing that Teck Hughes has made, and this feature is but a part in the general improvement shown throughout the whole enterprise. The company is now well out of the woods and on the up grade after many years of trials and tribulations.

During the year the company milled 79,564 tons as compared with 48,718 in 1925, with a value of $18.37 compared to $18.98 a year ago, or a total of $1,461,367, or a half million above the 1925 figure of $924,581. Other income brought the total up to $1,510,616, with all charges, including depreciation, taken care of, the net revenue stood at $751,633, an average of $9.45 per ton compared with $7.75 in 1926.

Capital Position

The capital position of the company is now a strong one, amounting to $1,626,069, or 34 cents per share compared with 27c. in 1925. A factor here is that there is an additional 165,000 shares outstanding this year.

Another feature of the report is the drop of $2.08 per ton in costs. The total of direct and indirect costs is $9.54 per ton, with operating costs $8.80. The 1925 figures were $11.77 and operating $10.88. Total direct charges were $700,005 and depreciation on plant $58,978.

Some interesting comment and information is contained in the report. Particularly is this true in regard to ore resources. These have increased by three times since the first of the year, but the new ore bodies exceed anything heretofore found in the mine, the south vein on the 13th level showing the remarkable length of 519 ft. of $46.70 ore, or just under a seven foot width. And this is practically the story of the north vein which parallels it. In between is a remarkable body of low grade, 18 ft. wide, but which shows on an average very profitable ore over good lengths.

Report Best Yet

All in all the report is by far the best and most complete that has been issued. It really ends the story of a remarkable fight which Pres. Chas. Denison and Mgr. D. L. H. Forbes have put up to make a mine. Apparently, from now on, they will have comparatively easy sailing. The report reads:

"The enlargement of the old mill begun in April, 1925, was completed in October, 1925. Capacity is now 250 tons per day, and, with this last enlargement its economic size has been reached.

Ore Reserves Up

"The first stage of sinking the central shaft was completed in September, 1925, and, since then the development of the 11th, 12th and 13th levels has proceeded. This work has already met with great success. A series of large bodies of ore have been found and partly explored. Notwithstanding the uncertainty that must inevitably be connected with estimates of tonnage and value in the irregular masses of ore in this mine, it can safely be stated that the fully developed ore reserves at the end of the fiscal year were more than three times as great in value as at the beginning of the year.

"In both size and richness, some of the newly found orebodies greatly exceed any hitherto found in the mine. The south vein, orebody of the No. 3 vein system on the 13th level has an ore length of 830 feet, 519 feet of which has an average width of 6.97 feet. Roughly parallel to this is the north vein drift along which an ore length of 658 feet has already been developed, 478 feet of which has an average assay value of $54.70 over an average width of 7.48 feet. Between these two drifts are several large irregular masses of medium grade ore, one of which has a length of 105 feet, with an average assay of $12.50 over an average width of 18.7 feet, while another has a length of 164 feet with an average assay value of $13.10 over a width of 18.0 feet. Similarly but narrower intermediate orebodies have been found between the north and south drifts on the 11th and 12th levels.

Diamond Drilling Resumed

"Diamond drill exploration was resumed in January, and has assisted in the development of several sections of the mine. It has also indicated the downward extension of the No. 3 vein system at the central shaft to a depth of at least 2,300 feet, with no apparent adverse change in geological conditions.

"The results of deep-level development were such that your directors felt justified in authorizing the second stage of shaft-sinking to proceed together with the building of the first unit of a new mill to treat deep level ore. This unit is scheduled to commence operating early in 1927.

"Construction work designed to carry out the above steps of a policy of gradual expansion commenced early this summer.

"Notwithstanding large amounts expended on deep-level development and construction work, together with the payment of dividends Nos. 1 and 2, amounting to $474,714.40, your liquid assets, consisting of cash, government bonds and gold bullion, have increased from $921,663.49 to $1,464,623.47 during the year. The sale of 227,000 shares of treasury stock offered to shareholders in October, 1925, added the sum of $374,550 to cash in the treasury."

Hollinger is Erecting New Kind of Refinery

Hollinger Gold Mines is introducing a new kind of gold refinery. The building is now being constructed. A leaching process will be employed, arrangements having been made whereby all smelting will be eliminated. The gold presses have been removed from the mill to the refinery, and one large electric furnace only will be kept for emergency purposes. Under the present method the gold is precipitated and extraction is made by the use of fluxes. The refinery is now running three shifts, while under the new system, it is understood, only one shift of eight hours will be required.

U.S. GROUP SEEK NORTH HOLDINGS BOISCHATEL MINES

Company Has Attractive Showings and Plans Winter Drilling

Boischatel Mines has approximately 1,500 acres of ground in three groups. One group adjoins the Timmins interests on the north and is just slightly north of Towagmac, another group adjoins Towagmac on the south east, and the other group is in the same area slightly to the west, all the properties being in Boischatel township, Northwestern Quebec. The company is capitalized at 3,000,000 shares of no par value of which 1,500,000 shares are in the treasury. The directors are Hon. P. J. Veniot, of Bathurst, N. B., president; H. A. Plant, Ottawa; J. A. Robertson, Ottawa; Alfred Savard, K. C., Quebec; C. B. Howard, M. P. Sherbrooke, Que.; H. C. Lewis, of Yarmouth, N. S.

Boischatel Mines are in the area that is regarded as most favorable. Operations to the south of the Towagmac are favorable, while on the east is the Noranda section and on the north east the Amulet and Waite-Montgomery area; to the north west is the Nipissing and Coniagas area where good encouragement is being met with. The properties enjoy geological conditions similar to the other properties in the district. The north group adjoining the Timmins interests has had the major part of the development work performed on it. The same has disclosed a large mineralized ore body which has been opened up to date for more than 200 feet in length. At the present time surface work is being pushed, the property being opened up by means of trenching and test pits. The ore, samples of which have come to hand show heavy chalco-pyrite. The test pits are being sunk with a view of ascertaining the average copper content at depth. The management has arranged to explore the property by means of the Swedish Electrical device which has played such an important part in the opening up of several other important properties in Northwestern Quebec. This is to be followed by diamond drilling, the determination of the management being to open the property up at depth as rapidly as possible. In view of the exceptional results obtained on the Towagmac property and the important find on the Timmins property, Boischatel Mines are conceded to have a good chance, and mining men who have been over the property express the belief that with further development work the property will open well. A report is current that large American interests are endeavoring to secure control of Boischatel, particularly the northern group. It seems that the ore body on the Timmins group has been traced over on the property of Boischatel Mines. What section has been taken has not as yet been revealed.

CHANCES FOR ORE ON CORONA ARE GOOD, SAYS REPORT

Engineer Recommends Electrical Survey and Surface Programme

Corona Mines, located in Duprat on the Boischatel boundary and adjoining Richardson-Bagshaw group on the north and just below Consolidated Smelters, is said to be looking quite attractive. The company this summer carried out considerable surface work, and is now in receipt of an interesting report from their consulting engineer, Jos. Houston. He says:

"The Corona group lies in the same narrow belt of volcanics as that in which the Waite-Montgomery, Amulet, Duprat, Consolidated Mining & Smelting and Richardson properties are located. All these properties have uncovered orebodies of some considerable importance. This area lies between two rather fair-sized masses of intrusive granite which appear to have had some influence on the formation of the orebodies, either as preparing the ground for their reception, or as being part of the parent magma from which they were derived.

"On every group of properties in this area on which intensive prospecting has been done, ore has been discovered. There is every reason, both from a geological and location standpoint, to expect success from similar work on the Corona group.

"To the north of Corona, Consolidated Mining & Smelting Co. of Canada have uncovered a large body of disseminated copper and zinc ore, on which they are at present carrying out intensive exploration. To the south on the Richardson property, a body of disseminated copper, iron and zinc ore has just been uncovered. It is at least 45 feet wide and shows lenses of massive high grade ore in places. It is only a short distance from the south line of the Corona.

"A large area of the west side of the Corona group and from a geological standpoint the most attractive section of the area, is overlaid with swamp and glacial drift and cannot be prospected by ordinary trenching methods. I would advise that the Swedish electrical method be used to prospect this area followed by diamond drilling on such parts as that method may indicate as being mineralized, and that systematic trenching be done on the higher ground.

"Taking all the above features into consideration I think that this group of claims is well worthy of the expenditure of a very considerable amount of work to demonstrate its possibilities as an ore producer and that its chances of uncovering ore are excellent."

QUEBEC TO COMPETE FOR HIGH HONOR IN COPPER OUTPUT

Continued from page 17)

centrate on one hand and a copper-free pyrite concentrate for acid making on the other; the Ontario ores are nickeliferous pyrrhotite and chalcopyrite ores of the Sudbury district, and British Columbia produces chiefly low grade chalcopyrite ores carrying small amounts of gold and silver. The Consolidated Mining and Smelting Company's copper smelter at Trail, B.C., is now treating under contract, concentrates from the mine of the Granby Consolidated Mining, Smelting and Power Company at Allenby, B.C.

By the end of next year production should be well under way in Quebec. Waite Montgomery, Amulet and Horne properties are ready, and a year hence there will certainly be others. Transportation and power now being available, will speed things up.

Besides some new copper developments in B.C., the Flin Flon in North-West Manitoba looks very important, and in a year or two should be producing.

Nothing New re Abana Situation; Property Good

Abana Mines Company is still in trouble and trying to straighten out its affairs. Some progress is being made, but nothing definite has been made public. The property possesses a great deal of merit.

Quebec Stocks Show Tendency to Spurt: Good News the Reason

The market for Quebec mine shares is attracting a great deal of attention.

Recently there was a spurt in Laval. Now Duprat is showing a strong upward tendency. A wire to The Post is to the effect that important announcements are pending. No intimation as to what these are, has been forthcoming.

Stadacona, Amulet, Noranda, are showing great strength. Towagmac, which was placed in a limited way with the public at $1.50, is now selling above $4.

There are several other stocks that are showing signs of nervousness, with the tendency upwards.

45-ft. Copper Body Opened on Richardson

A find of decided importance has been made on the Richardson property in Boichatel, near the Corner or Duprat and Rouyn and adjoining Corona on the south. It is understood that Chas. Richardson and G. A. Bagshaw control the property. It is said that a body of disseminated copper 45 feet wide has been uncovered and that in this body there are lenses of massive high grade copper and pyrites with rhyolite and zinc.

Don Rouyn Discoveries

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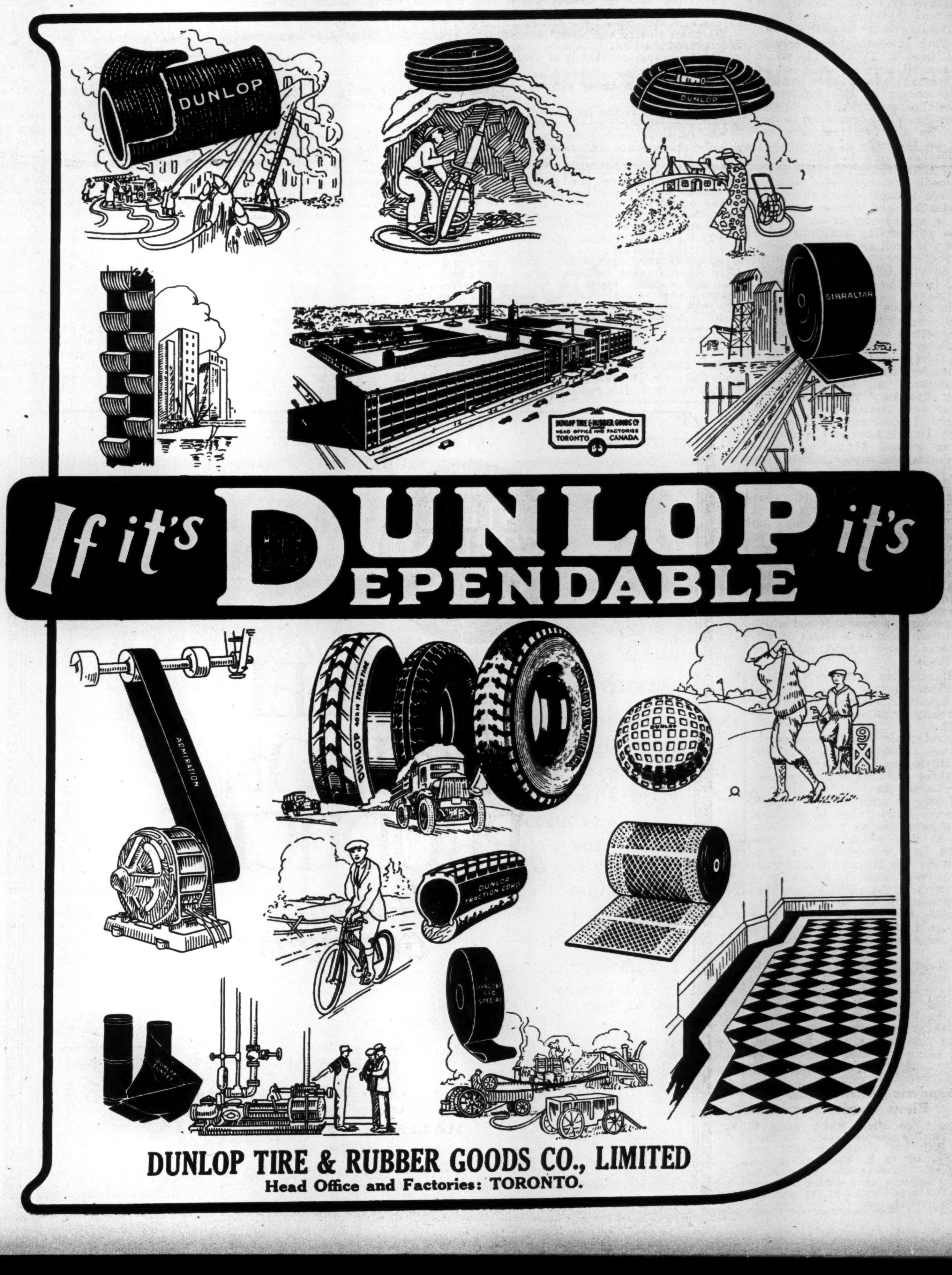
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NINE OF ONTABEC'S TEN GROUPS ARE NOW UNDER OPTION

Company Has Large Interests Developing Its Various Holdings

Following twenty months of determined prospecting and development in the Quebec field, Ontabec Limited appears to be on the road to prosperity. Starting operations in the spring of 1925 with approximately 1,200 acres of raw property wisely picked as to location and geological formations, this company has made great strides, until to-day the company controls upwards of 4,000 acres of intelligently selected mining ground, all of which adjoins or is in close proximity to the granite contact. Noranda, Waite, Amulet and the Archean are all situated on the granite contact, and it was with this thought in mind that Fred W. Thompson, M.C.I.M.M., field superintendent of Ontabec, Limited, staked these properties.

Extensive development work was done in the summer of 1925 on Group No. 5, consisting of approximately 600 acres, four distinct areas of copper mineralization were encountered, and assays from this particular property ran as high as 22.68 per cent. copper, these showings enabled Ontabec, Limited, to sell an 85 per cent. interest in these claims to a group of Montreal mining men for $35,000, this property has all the earmarks of a prospective mine.

Recently Optioned

Groups Nos. 3, 4 and 6, were developed to the point where it was also possible to option these groups to Montreal interests, and although these properties have not proven up to expectations, good mineralization was discovered, these properties will be further proven by the use of the dip needle, arrangements are being made to have this done immediately.

No. 10 group situated on Sills Lake has recently been optioned by Ontabec, Limited, to a group composed of prominent mining and business leaders, this deal will return to Ontabec's treasury a large cash consideration, plus a 300,000 stock interest in a joint stock company which is now in the course of formation to operate the group referred to above and other valuable properties situated in the Rouyn area and elsewhere, it is understood that this company will be financed largely by English capital.

New York interests have recently optioned Nos. 9, 11 and 12, which makes a total acreage of 1,400 of mining ground, these three properties were chosen by this influential group for their geological formations, size, showings of disseminated copper and also for the fact that they are situated on the edge of the granite that underlies Lake Dufault in the township of Dufresnoy, arrangements have already been completed to have these three groups electrically prospected this fall and winter, when the ground is sufficiently frozen to enable the prospecting staff to work on swamp as well as rock exposures, these properties will be diamond drilled directly following the results obtained from the electrical prospecting campaign.

And in addition to the above deals, the most promising group of Ontabec's properties is now being worked by Dr. Robert Harvie, late of the Dominion Government Geological Survey, now president of the Harvie Mining Company, on this particular property five very promising areas of copper were encountered during the course of assessment work in 1925 and 1926. Details have just been completed to expend $10,000 on these claims during the winter months. Dr. Harvie has already sunk a shaft on Claim 2509 within 100 feet of the boundary of Claim 2999 (Ontabec claim), the continuity of this bed is shown in the surface workings on either side of the shaft as well as in the shaft itself where it is strongly continuous to the bottom at 55 feet, work is now being pushed in the shaft, also on the five areas of copper formation on Ontabec's Group No. 7. This ore occurs as a replacement in and adjoining a porous tuff bed which occurs interbedded in a series of volcanic rocks which consist chiefly of pillow lavas.

Dr. Harvie has obtained a 55 per cent. interest in this group, with Ontabec, Limited, retaining a 45 per cent. royalty in all ores mined on the property.

With reference to the three southern groups situated in Boischatel and Rouyn, little has been heard to date, as all three are located in the sedimentary area. As No. 1 group consists of only 80 acres, little is expected from these two claims. Groups Nos. 2 and 8 have similar geological conditions to that which exists on the Kirkland Lake mines, and No. 2 is adjacent to the Huronian Belt mine and four very well defined veins of quartz carrying four gold values have been exposed. It is Ontabec's belief that public feeling will again swing back to gold, and it is for this reason that these claims are now being developed.

The policy of Ontabec, Limited, to stake, develop and sell, is being successfully carried out, and at the time of writing Ontabec's technical staff headed by Fred Thompson is in the field staking new properties, as the company now have nine of its twelve groups being operated by outside capital.

Independence Mine, B.C., Plans Capital Increase

Independence Mine, which owns 12 claims on Premier Mountain, Portland Canal, B.C., has about concluded new financing, advise R. P. Clark & Co., Vancouver. Shareholders are to be asked to approve of a capital increase to $3,500,000, par value $1, by creating 2,000,000 new shares.

Says Prospecting Effort in Quebec is Greatest in History of Mining

> "I saw intensive and well-organized prospecting, such as I believe has never been undertaken before. I saw geologists systematically studying tracts containing thousands of acres of forest-covered terrain. I heard engineers enthuse over copper prospects that, though promising, did not impress me as warranting so much excitement. I saw thousands of feet of deep trenching in hard rock and heard of thousands more. I saw some impressive outcrops of massive sulphides and heard of good-sized bodies of ore that had been proven by diamond drilling. But still I was in a quandary as to what it was all about.
>
> "Finally I went underground in the Horne mine. I saw the cause of all this ado."

The above quotation is taken from an article on North-West Quebec mining. written for Engineering and Mining Journal, by Arthur B. Parsons, assistant editor.

The article is an excellent one, and the above paragraph is an excellent one. It is somewhat of a tribute to Canadian mining development to have Mr. Parsons say that the intensive prosperity methods in vogue in Quebec have never been undertaken anywhere before. Mr. Parsons is a field man. He covers a lot of mining territory, and his opinion is valuable. Valuable as a tribute to the development of the industry; valuable to the investor who is unable to judge of the merits of the methods employed in looking for mines.

We don't think we are going too far to say that Mr. Parsons was taken with the country. He says aside from marvelling at the Horne, the most significant impression he took home to New York, concerned the most remarkable demonstration of intensive, organized, scientific prospecting on a large scale that the world has ever seen. He added that he did not believe this is an exaggeration.

Mr. Parson's publication is partly technical, and he gives some technical facts to support this point, outlining what he terms a typical sequence of operations for exploring and prospecting a group of 40 claims containing 8,000 acres, that are believed from a study of regional geology, to be favorably located, adding: It must be realized that the country, particularly in the western townships on the map, is so heavily wooded with timber and thick underbrush, that it is difficult to travel without the aid of axmen. Generally speaking, in Rouyn and Dufresnoy the forest, having been more recently burned over, is more open.

The steps are then outlined, and even the uninitiated can grasp some details of their thoroughness:

> The steps in order may be:
>
> (a) Establishment of parallel base lines by transit surveying at intervals of a half mile.
>
> (b) Running of "picket" lines at right angles to the base lines and at intervals of 200 feet.
>
> (c) Geologizing of these picket lines by an experienced geologist who directs preliminary work with pick and shovel, and perhaps drill and dynamite, on some outcrops.
>
> (d) Dip-needling of the picket lines at 50-ft. intervals by young engineers. The frequent presence of pyrrhotite and of magnetite makes this work significant. The "doodle-bug" notes, as they are called in the family up there, are plotted and the geologist studies the maps in connection with his own notes. Generally large areas can now be eliminated from consideration.
>
> (e) A step that may be taken at this point is "electric" prospecting by the Lundberg or Schlumberger methods. This is being done on several large groups of claims where the preliminary geological and dip-needle work has been encouraging.
>
> (f) Otherwise, the more favorable areas are selected for intensive prospecting. The survey is made more carefully, picket lines are established at 100-ft. intervals, and dip-needle readings may be taken at intervals of 25 or even 10 ft. The magnetometer may be used instead of the dip needle. Greater skill is required, perhaps, but the instrument is more sensitive and the resulting data are likely to be more informing. The fact that rock in place may be effectively concealed by only a few feet or even a few inches of detrital matter makes the country difficult to prospect without some instrument.
>
> (g) Assuming that some areas still appear to be promising, they are cleared of timber and bush and active trenching is undertaken. This involves systematic work, with the generous use of hand drills and dynamite.
>
> (h) If the "showing" thus opened is good, the next step is diamond drilling as the most economical and effective way to "see" under the surface. This is done on contract with wood-fired boilers and steam rigs.
>
> (i) Shaft sinking and lateral development, with further diamond drilling from underground stations.
>
> The foregoing sequence is of course only typical.

The Horne seems to have convinced Mr. Parsons that these efforts are worth while.

He accepts it as the inspiration for the great effort being put forth on countless properties. He says for the Horne:

> "On the third level of the mine I walked 200 feet along a drift in almost solid massive chalcopyrite, and for 75 feet in several similar drifts or crosscuts at right angles to the first. The dimensions are not exact but they will serve. There are five major copper orebodies in the mine, not all of course solid chalcopyrite. Pyrrhotite is prominent in places, and pyrite less so. An average gold content of more than $5 per ton is by way of sweetening. After examining the third I went to the second and first levels. It was not difficult to see whence the inspiration comes for the vigorous and costly exploration and prospecting that is being done in the area to the west and north of Rouyn.
>
> "At the Horne, rhyolite, andesite, and other lavas are cut by dikes of diabase and syenite porphyry; the orebodies are replacements in the form of lenticular masses with the longer axis vertical. No wonder a 'showing' of sulphides similarly circumstanced geologically is given minute scrutiny! Another Horne, or even half a Horne, would pay for years of diligent prospecting; and that is the thought, whether they realize it or not, that lies uppermost in the minds of the men who are responsible for the expenditure of money in Quebec's copper-gold area. Naturally I knew beforehand that the Horne has large bodies of proven ore; but reading about rich ores is never so persuasive as the knocking off of pieces from the walls with your own pick. That is why seeing the Horne is a most satisfying climax to the long journey in."

Mr. Parsons went in through Montbray and on to Duprat, Boischatel and Rouyn Tps. last. His remarks on several properties such as Coniagas, Nipissing and others, are of interest to shareholders. He stayed at the new Coriagas camp in Montbray, and walked over to the Nipissing camp to the west where they have been diamond drilling and have met with encouraging results. He saw a small mountain of rhyolitic rock containing various sulphides. A zone 30 or 40 ft. wide sprinkled with chalcopyrite has been trenched and cut with four vertical diamond drill holes. Ten other diamond drill holes have been bored in search of the deposit in lower land, and more were being drilled.

The Coniages activities he described as twofold. First to prospect a large area in a preliminary way; and second to open further a good "showing" on which some work has been done. Two parallel mineralized breaks about 75 or 100 ft. apart intensed a third break at right angles. The presumed intersection, where it is hoped an ore body may exist, is in low ground, and considerable digging or perhaps diamond drilling may be required to throw further light on the situation.

The Chance Camp is the scene of the principal operations of the Tonopah Mining Co. The property consists of 1,200 acres, across which extend two mineralized zones striking approximately east and west. The country rocks, rhyolitic and andesitic volcanics, are intruded by dikes of diabase or gabbro, and a later syenite porphyry. The sulphides occur principally in a brecciated rhyolite, with occasional bunches of massive chalcopyrite. Systematic trenching has exposed No. 1 "showing" over an area about 300 by 600 ft.; No. 2 is exposed over a somewhat smaller area.

The present work consists of the operation of two diamond drills.

The drill holes are pointed so as to cut the supposed ore zones at depths of from 175 to 200 ft. The results will determine what the next step will be. Another good prospect with nothing definite proved to date.

Saw a Proved Orebody

About 1½ miles east lies Alderson-McKay property, of which 35 per cent. is owned by Towagmac Exploration Co. The other 65 per cent. as well as an interest in the exploration company is owned by Noah A. Timmins, president of Hollinger Consolidated Gold Mines, and easily the dominant figure in Ontario and Quebec mining. The property lies at the top of a high ridge, from which it is possible to see for a great distance in every direction.

Here I saw the first evidence of a reasonably assured mine. There are three roughly parallel ore zones; I use the word ore advisedly. No. 1 has been trenched to show for about 60 ft. an 18 ft. orebody containing pyrite and chalcopyrite assaying 9 to 10 per cent. copper with some gold. It is described as a replacement in andecite. No. 2 is 15 ft. wide and is exposed for 100 ft. on the apparent strike. The copper is more disseminated and assays range from 4 to 5 per cent. No. 3 is the principal orebody and the one on which work is being concentrated. It consists of massive sulphides including pyrrhotite, pyrite and chalcopyrite, some sphalerite, and occasionally galena, with a little granular quartz as the only gangue material. Gold is not important and the copper assays range from 3 to 13 per cent. One diamond-drill hole passed through 56 ft. of massive sulphides, he was informed by K. W. Fritzsche, resident engineer. The replaced rock is a highly altered basic andesite cut by diabase and syenite porphyry dikes.

Sixteen diamond-drill holes from 200 to 400 ft. long have developed this orebody and a vertical two-compartment shaft is being sunk.

This orebody stands out as the one tangible product of scientific prospecting. Last winter, when several feet of snow covered the surface, Mr. Fritzsche was engaged in a search for something bigger and better than Nos. 1 and 2, which standing by themselves did not amount to a great deal. He had obtained a few good dip-needle deflections in the area to the north, and consequently he undertook to make a detailed magnetic survey. Readings were taken at 10 ft. intervals on lines spaced 25 ft. apart. These were plotted and magnetic "contours" were driven through points of equal deflection.

I saw the map, and it looked much like a topographic map of an area containing a number of knolls. Some of the poles were centers of positive and some of negative deflection. Three points lying between poles of opposing character were selected as likely places to trench, and in each instance ore was opened!

Consolidated Mining and Smelting operation in Duprat Tp. he found in charge of H.O.R. Dyer. There is a showing exposed by ten or twelve wide and deep trenches spaced 100 ft. apart. In one place the mineralized zone is 200 ft. wide. The chalcopyrite occurs in seams and fractures of the andesite rather than as massive sulphide. The trend of the formation is north-south and the dip is 30 or 40 deg. to the west. No diamond drilling has been done as yet, but it is likely that the coming winter may see one or more drills at work. This prospect is more advanced and looks more attractive than most of the properties where no actual ore is opened.

The Consolidated company has four other groups of claims ranging in area from 280 up to 2,400 acres. One of these is in each of the following townships; Duprat, Boischatel, Montbray, and Hebecourt. The last two are known as "winter-staking" groups. They are raw claims selected on the basis of regional geology, and staked by employees of the company. R. M. Macauley, who is in general charge of all exploration for the company, holds to the theory that the general vicinity of the major granite-andecite contact is favorable to copper deposition, and on this is based the selection of the location of several of the groups of claims. The diorite dikes, if and when pre-mineral, are believed to have served as impounding agencies for the metal-carrying media.

OIL BOOM HELPS CALGARY CITY'S FINANCES

CALGARY, Alta.—The coffers of the city of Calgary have been enriched to the extent of nearly $22,000 this year by the development of oil lands in the city and district.

Don Rouyn's Progress Report

By President F. J. Pattee, M.D.

Shareholders of the DON
ROUYN GOLD MINES, LIMITED

Dear Sir or Madam:—

As there have been some enquiries for more detailed information and to more clearly clarify my letter of October 25th, I again take the opportunity of reassuring the stockholders, as it is my desire that they shall have full information of the Company's progress and prospects, and if you have any doubts to express or enquiries to make, I shall be pleased to answer them at any time.

In my former letter, I told you something of the conditions on our Number One group of the Don Rouyn properties. I may say in addition to what I then said that we have a good force of men stripping, trenching, making magnetic surveys, etc., getting ready for diamond drilling, and we intend to resume drilling next month or so.

Previous magnetometer readings indicated several extensive underlying zones of attraction. The extensive work already done gave most encouraging results, so much so in fact, that your Directors deemed it most desirable to acquire additional property, approximately 400 acres, immediately to our east, between this and the Chadbourne property of the Noranda group. Our central property now being approximately twice its former area, namely 800 acres. That this purchase was justified is evidenced by the fact that massive Chalcopyrite has been found by trenching, believed to be the extension of the large disseminated zone on your Number One property.

As a matter of fact, I feel somewhat loath to convey to you the impressive effect that the showings have had on the various engineers who have been on the property. If but a small percentage of the optimism aroused by these showings is realized, and if they continue at depth, there seems no reason but to believe that these Don Rouyn properties will be at least among the large mines in the Quebec area. As a matter of fact, one of the most eminent mining men in America, after personal examination of the property, purchased a large block of shares and said that if he could not replace his shares he would not sell them at a very much higher price than the now prevailing market price.

It would seem from the work done so far that the indications are that in the future a very large tonnage of ore will be blocked out. I am giving you this information because I want you to know as much as I do about the property, so that you may be guided accordingly.

Regarding the financial condition of the Company: There is now approximately a million and a half shares in the treasury. However, in buying the 400 acres adjoining our original Don Rouyn and furthermore to provide the necessary capital for approximately two years' work at a rate that we expect will indicate many tons of ore by diamond drilling and underground development, it became necessary to provide ample working capital, and as the Directors did not deem it advisable to sell stock from the Treasury under present market conditions, until such time as developments established these shares at a much higher value; rather than offer these shares at a price that might be prejudicial to the Company's best interests, your Directors decided to loan to the Company the necessary funds and thus conserve the Treasury shares. This bespeaks the confidence of the Directors in your property and they believe that they will have a real mine, capable of a considerable output. They consider the loan a perfectly safe one and invite all stockholders to participate in this pro rata should they choose to do so, there being nothing compulsory about this offer; it is purely voluntary and failure to participate will not prejudice individual shareholders.

In my former letter I gave the result from a milling sample of 50 lbs. of ore recently tested by the Department of Mines, Ottawa, which was a representative sample from our higher grade section. The analysis of the Bureau of Mines showed values in gold, silver and copper at present market prices of over $18.00 per ton. The ore was also found to be an excellent concentrating ore. The first concentration test, made one to three, showing over 21% copper with some gold and silver; the second showing over 23% copper; also with some gold and silver. The recovery from the concentrates being in the first case, 96.1% copper and in the second 97.1% copper. This may seem remarkable to you when you consider that several of the larger copper Companies are mining ore that runs in the neighbourhood of only about 1%.

These results are regarded by influential mining authorities as exceedingly satisfactory. The policy of the Company is strictly constructive. The personnel of the Board of Directors is sufficient guarantee that strictly business principles will be adhered to. We propose to put our finances in excellent shape and we are asking for the continued confidence of the shareholders.

F. J. PATTEE, President.

Hawkesbury, Ont., October 28th, 1926.

DIRECTORS: DON ROUYN GOLD MINES LIMITED

President, Dr. F. J. Pattee, Hawkesbury; vice-president, R. L. Blackburn, Ottawa; Hon. H. H. Stevens, M.P.; Col. D. R. Street, secretary-treasurer, Ottawa Light, Heat & Power; J. G. Ross, director, Ottawa-Montreal Power; W. J. Hamilton, Montreal, metallurgical engineer, and Alexander Gray, mining economist, Montreal.

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VIPOND TAKES ON BIG MINE FORM; OUTLOOK GOOD

Shareholders Meet End of Month to Purchase Larger Holdings

The last week of this month will see an important meeting of Vipond shareholders held. It will likely be a quiet, routine, matter-of-fact gathering, but it will be quite a significant one. It will mark the taking over of the Thompson-Krist and Porcupine Crown holdings from British Porcupine Mines, and will thus give the company acreage that will justify expectations that it will work into the big mine class. The company will pay 250,000 shares of stock for these new holdings of 4 claims, capitalization having been increased to meet it.

It has been stated that diamond drilling at depth revealed the importance of securing the adjoining properties as they were essential to any big expansion in the future. Porphyry intrusions are said to occur on both these properties. Some years ago a draft was put across the boundary into Thompson-Krist territory at the 400-foot level of Vipond, and this is said to have opened up a wide body with good values. Since then it is understood the mineralization has shown a more pronounced trend toward the Thompson-Krist ground. In addition the Vipond company also secures a quantity of mining equipment which was in the plant on the Porcupine Crown.

Vipond ore reserves are being steadily increased, and are now estimated at considerably above 300,000 tons.

Milling capacity is now 100,000 tons a year, with enough ore in sight to keep the mill running for three years. Dr. Bell recently stated that in many localities down to the present lowest horizon of 1,200 feet that there was excellent ground for exploration, and chances are also bright for the lower depths.

During September 8,500 tons were milled for a recovery of 61,000, a daily tonnage of 283, with an average extraction of $7.23 per ton. The recovery of gold, however, has hardly been up to normal owing to ore coming from development.

Dividend Payment Foreshadowed

It is thought likely that Pres. Hamilton's remark at the annual meeting about dividends early in 1927 will be fulfilled. A factor favorable toward this end is that no cash figures in the deal to acquire the Porcupine Crown and Thompson-Krist properties. After making the necessary payment of 250,000 shares for these properties, Vipond will still retain a like number of shares in its treasury. This is likely to remain in the treasury for the time being, at least. It is rumored, however, that offers have been received for this block.

School Children Taught That It Was Improbable That Large Ore-Bodies Would be Found in Ancient Rocks of Canada

"Not so many years ago, as late as 1912, it was supposed, and taught in all the schools and colleges, that the occurrence of large ore-bodies in the most ancient rocks of Canada was highly improbable. The conclusion, it must be admitted, was sanctioned by all previous experience, and also seemed reasonable theoretically. It had long been known that northern Ontario, Quebec and Manitoba were a part of one of the oldest land areas on the surface of the globe. In the earliest dawn of the earth's history, while still the most of North America lay submerged beneath the ocean, this bit of land existed, the nucleus of the great continent of the future. Doubtless veins and ore bodies existed then, as all conditions were favorable to their formation; but during the slow passage of the endless ages the inexorable forces of nature gradually wore down the old land, carrying the debris to the sea to build up the rocks now found on the south and west. Measurements show the old surfaces were thus lowered by tens of thousands of feet; and it therefore seemed natural to conclude that of the possible former ore-bodies nothing could remain but little ramifying roots, of scientific interest, but of no commercial value."

From article by Dr. H. C. Cooke, Geological Survey of Canada, on Rouyn District, Quebec, written specially for The Financial Post Survey of Mines.

LAVAL TO DRILL ARGONAUT GROUP NEAR NORANDA

Intensive Prospecting Campaign Carried Out This Summer

One of the very interesting Quebec operations that has carried on an aggressive exploration all summer without any blare of trumpets has been Laval. This company was organized about a year ago to consolidate the Quebec holdings of Argonaut Consolidated Mines and others. Gangs were sent in during the late winter to prepare camps and make ready for an intensive summer explorative program. Major Flood was placed in charge.

Little has been said about the success met with which is understood to have been of a promising nature. While in Montreal recently the writer discussed the matter at some length with J. A. Naud vice-president, and he said he was much elated with the work accomplished. He believed that there was some interesting information forthcoming shortly that would be of material interest to all the shareholders. The recent action of the market would indicate that some details of this news are already known as there was some heavy accumulation for several days and the price moved up sharply.

Has Large Holdings

The company owns 2,341 acres, 1,381 in Rouyn Tp., 360 in Boischatel Tp. and 600 acres in Duprat. The bulk of the work this summer has been on the group in Rouyn Tp., and consisted of a systematic exploratory and geological survey, while a dip-needle in the southwest section gave promising indications. Diamond drilling will follow up this work.

John Reid, Cobalt pioneer, has been acting in a consulting capacity and gave a great deal of attention to the geological study of the main group. This effort is not being extended to others. Fully 100 geological maps on the company's holdings have been prepared.

It is expected that with the railway operating the company will take in a diamond drill to the old Argonaut holding south of Pelletier Lake. This adjoins the Murray, which in turn adjoins the Horne.

ZINC PROSPECT AT SOO TAKEN UP

Syndicate Has Option on Attractive Looking Group of Claims

Reports from the Soo are that a Toronto syndicate has taken over the Vacheresse zinc prospect near Searchmont, and a large gang of men is now at work. The showing is located some six miles east of Searchmont on the motor road to the Sault. To make a thorough examination it will be necessary to divert a creek, and this, with the surface work in hand, will require the services of a considerable force of men for some time.

The find, which was made by Fred Vacheresse, of Sault Ste. Marie, is on the east side of the Goulais River, and occurs in the bed of a creek. A vein from five to eight feet wide, containing quartz and massive zinc blende with some galena, has been opened up. The massive zinc blende is in places as wide as three feet, and zinc values of 12 per cent. have been demonstrated over a width of five feet, it is stated, and carrying some silver values. The vein occurs in basic rock, close to the main mass of granite.

The Toronto interests who are examining the Vacheresse find are closely affiliated with the group now developing the Otto property at Goudreau.

AMULET HAS NEW HIGH GRADE; PLAN MILL OF 200 TONS

Good-sized Deposit of Shallow Ore and Other Showings

Amulet Mines, with attractive looking group in N.W. Quebec, is generally accepted as ranking third among the operations in the N. W. Quebec field. On group A the company has done considerable drilling and has indicated ore of $3,300,000. The body of ore indicated is shallow, extending over an area 200 by 600 ft.

Most recent results in the No. 4 shaft to the north have been quite encouraging. The shaft is down 170 ft., and work is being done on 75 and 150 ft. levels. The last report was that 35 ft. of high grade had been cut into. There are three known orebodies here, two not outcropping. On the 150 ft. level, in last accounts, three faces were in ore. Values running high in copper, fair in zinc, with some gold and silver.

Now that transportation is available, it is likely that the company will proceed at once with milling plant. They contemplate a 200 ton mill.

A. B. Parsons, Mining Journal Press, New York, said of this property, after a recent visit:

"I am not at liberty to give actual assays and tonnages, but close to 200,000 tons of ore is assured, with a gross metal content of nearly $25 per ton at current prices for metals. The zinc, contrary to the general belief, is more valuable than the copper. Precious metals are worth about $3 per ton.

"Distinct from the exploitation of this proven orebody is the sinking of a new shaft on No. 2 showing. The shaft in mid-September had reached a depth of 168 feet, and drifts were being driven on a fracture plane with the hope of finding good ore in the neighborhood of the contact between the two flows — rhyolite and andesite. An unexpected plum of sphalerite ore encountered in the shaft suggested the possibility of finding other similar and larger orebodies. The site for the mill is only about two miles from the line of the new railroad from O'Brien to Rouyn, so that a comparatively small investment will be required to construct the necessary spur. The present program provides for the early erection of the concentrator to be completed about the time the smelter at the Horne is ready to receive copper-iron-gold concentrates."

Area Spending About $8,000 Monthly in Quebec

Area mines has spent $8,000 monthly this summer in exploratory work. Much surface stripping and drifting has been done, and in four different places, highly encouraging results have been met with. Diamond drilling, which has been going on for some time, is continuing.

Only Recognition London Has Accorded Canada's Gold Mines is to Scalp Market in Stocks

Leading Imperialists are disturbed over the fact that so far London has accorded no recognition to Canada's position as a gold producer. They contend that insofar as London is concerned, Canada is non-existent as a gold producer.

Keynes seems to have crystalized London opinion a few years ago when he declared that the past 25 years had failed to reveal a gold discovery of importance.

Keynes' fallacy evidently has its influential supporters. The Memorandum on Currency and Central Banks of League of Nations, (1925) made no mention of Canada in listing gold producers. Keynes or those who see eye to eye with Keynes, are believed to have been responsible for this snub. It has been corrected in the 1926 edition. London's spleen remains.

The only favorable attention London has even given Canada's gold industry has been to take up blocks of stock in some of the coming propositions and then scalp the market by selling the stock back to Canadians at a much higher figure. The first instance known of this was in Hollinger. The last instance was in Kirkland Lake Gold.

Never a Good Word to Say

London engineers have never had a good thing to say for Northern Ontario's gold mines. They condemned Porcupine from the start. They had the first opportunity in Kirkland Lake. They rejected both.

Perhaps it is pique over the loss—perhaps it is resentment over the fact that in both instances they were wrong, that has lined them up as enemies of Canada's gold industry.

An engineer named Wilkinson, who is reported to have visited Canada in 1923 for South African interests, is said to have predicted that Hollinger would be through by 1928. He is said to have made the remark at Geneva, where he attended as a South African delegate, that Canada had nothing in the way of gold deposits.

He may be right about Hollinger. He may be endowed with a faculty that would be real valuable in mining, the power to see through the rocks and see where values are going to end. However, figures on Hollinger earnings and reserves for the past few years, will at least leave the impression that he may be wrong. They are:

	Tons Milled	Recovery	Dividends	Reserves
1922	1,491,381	12,274,114.77	3,198,000	$43,269,827
1923	1,366,352	10,446,412.20	3,198,000	58,861,036
1924	1,659,475	13,429,226.87	3,198,000	59,304,885
1925	1,929,988	15,786,405.00	4,378,800	65,068,799
Total to date	11,409,932	$100,389,894.92	$30,530,800	....

Meanwhile Canada must bestir itself regarding the London position.

Premier King may get the opportunity to say something in this regard. Meanwhile someone has stirred up the Midland Bank, London, for recently in discussing Canada's economic progress, it made some remarks about Canada's gold production that might lead Mr. Keynes to ask himself if he might not be wrong. The bank said:

"Another important consideration in this connection is that Canada has of late years sprung into a leading position as a gold producer. The output is increasing rapidly, having doubled since 1920, whereas in the United States it is declining and in South Africa it is barely keeping up to the level of the past few years. In 1925 gold to the value of nearly £7½ millions was mined in Canada, an increase of £1 million over 1924 and of £2 millions over 1923. Only two countries, South Africa with £41 millions and the United States with £10 millions, were ahead of Canada last year, and on present tendencies it appears not unlikely that Canada may reach second place within a comparatively short period."

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SERVICE TO MINING INVESTORS

Semi-monthly Market Letter

Twice each month we publish a market letter covering the technical market position of the majority of leading mining securities and also outlining in detail progress of individual properties in all the mining camps in Ontario and Quebec. Mailed free upon request.

Offerings of Merit

We believe the stocks mentioned below are the best speculations available in their respective class. Management in mining plays a tremendous role, and these properties are exceptionally favored in this respect as well as in location and financial position.

ACONDA
Mines, Limited

Capitalization: $3,000,000 shares.
Par value: $1.00.
Price: 35 cents per share.
Location: Boischatel Township, 1000 acres (between Noranda and Towagmac).
Management: Alderson-Mackay.
Property well located and has splendid chance of making mine on results of development programme to date.
Financing of property is assured. We advise the purchase of this stock, as a meritorious speculation to show high returns if ore is found at depth.

TOWAGMAC
Exploration Co., Ltd.

Capitalization, $1,000,000.
Par value, $1.00.
Market price around $4.00.
Location, Boischatel Township.
Management: Alderson-Mackay.
35% Alderson-Mackay property owned by Towagmac.
Controlled by Mr. N. A. Timmins.
This property has about $6,000,000 ore in sight. Management in good hands.

CLERICY
Mines, Limited

Capitalization: 2,000,000 shares.
No par value.
Price: 60 cents per share.
Location: Clericy Township, east of Noranda.
Management: Capably managed and directed with Sir Geo. Burn, R. S. White and F. S. Hutchison on Board.
A self-fluxing ore has been found on the property.

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Kindly place my name on your mailing lists to receive regularly your Semi-Monthly Market Letter.

Also please furnish me with reports on the following properties:

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Noranda Smelter May Get Operations Under Way by Next Autumn

Arrival of Railway and Power Will Speed Things Along

Noranda mines is now in a position to make excellent progress with its smelter. Construction work has come out well with railway development Foundations are complete ready for the steel for the superstructure, and the railway will deliver the steel as fast as it comes along. Meanwhile the mine has been put in as good a shape as possible with steam power, but electric energy from Des Quinze will be delivered by Northern Canada Power shortly. The towers to carry the wires are erected into Rouyn and the stringing of the wires should follow along quickly.

Meanwhile Noranda will rush the completion of permanent surface buildings, and will take in supplies for this over the railway. Pres. J. Y. Murdock says the machine shop, carpentershop, warehouse and powerhouse will require about 215 tons of steel and 700,000 brick. An idea of the amount of work done is conveyed by the following figures: Excavation, 35,000 cubic yards, of which about 75 per cent. was in solid rock; concreting, 2,200 cubic yards, and the balance of 4,000 cubic yards remained to be done. Foundations are ready for 2,200 tons of structural steel and 800,000 brick. Grading has been completed in readiness for the laying of 2½ miles of track. Trenches are in readiness for the 1,800 lineal feet of combined water and sewer line.

On the townsite over 300 acres have been cleared and burned, and 100 acres have been stumped and grubbed. Four miles of roads have been graded with a width of 30 to 40 feet, and 3½ miles of roads have been covered with rock across a width of 16 feet. A great deal of work has been done on all phases of the program to bring the Horne mine into production. Much more will be done during the coming winter, and everything will be ready to proceed at top speed in the spring, making ready for the treatment of about 1,400 tons of ore daily in the first two units of the new smelter, which is expected to be in production sometime between August and October of next year.

Little information of what might be termed "fresh," in regards Horne mine has been coming out of late. The company is now in a position where it can let exploration rest until cheap power is available and the only task that really needs to be done before the smelter starts is to get the new central shaft completed and hoisting equipment installed. An outsiders view of the Horne, that of Mr. Parsons, New York, published elsewhere in this issue, leads one to wonder if the magnitude of the Horne mine is really appreciated. In so far as we are able we give a detailed review of the operation. These are cold facts, however. When the last annual report appeared, picturing ore reserves around $22,000,000, The Post expressed the opinion that these would cause some disappointment, as the expectation was that the figures would be somewhere between 30 and 50 million. There may have been some disappointment, but it was not apparent, and the only conclusion is that the public did not take the figures seriously.

It was Horne mine that convinced the assistant editor of Mining Journal Press, New York, that the big effort in Rouyn was worth while. Of the Horne he said:

"The most recent published estimate of ore reserves of the Horne is as of January 1, 1926. It shows 944,525 tons, with an average gold content of $5.54 and copper content of 6.7 per cent. Calculating copper at 14c. per pound, this would give a gross value of $4.30 per ton or $22,951,957. However, an interim report issued late in September, 1926, details development of various large new blocks, including the new "E" ore body, which averages up to $64.72 per ton. It is hoped that by the first of the year development will have carried far enough to give sufficient new sections upon which to base a recalculation of ore. For the present we do not feel justified in making any more definite statement than that the tonnage of ore indicated in the last report has been considerably increased and the grade materially increased. The confidence that the mine has a good future, in depth, expressing in our last report, is strengthened by the third-level development."

My understanding is that the earlier estimate took in very little, if any, ore below the 200 level. In view of the work on the 100 and 200 levels, that was pointed out to me as being new, and of what I saw on the 300 level, I feet safe in predicting that the next report will show a gross value at least double that of the last and probably more.

Copper Cost Low

One thing may well be mentioned: The ore is rich; therefore the per-pound cost of producing copper after crediting gold will be extremely low. As a consequence excellent earnings will be possible without putting a large tonnage of copper on the market. For example, an annual net profit of $7,200,000 is easily conceivable without producing more than 60,000,000 lbs. of copper per year. This is assuming the treatment of 30,000 tons of ore per month, having a gross metal content of $29, and costs and metallurgical losses of $9 per ton. The figures are purely hypothetical, of course. The smelter is scheduled to be in operation in the fall of 1927, and, unless all the breaks go against him, a man as competent and resourceful as Mr. Hibbert ought to keep close to schedule. Presumably then income and earnings should begin to accrue within a year from the present time.

Noranda Assets in Brief Form

Owns Horne mine through $1,289,957 stock in Horne Copper Corp. Balance of $2,000,000 capital unissued.

Shares in other companies at cost.

Noranda Townsite, adjoining Horne property.

Plata Mines, owns $5,250, option on 1,700,000 shares, Gowganda Silver.

Continental Mines, $1,845, Kirkland Lake operation.

Anglo-Porcupine, $11,787, Porcupine claims.

Powell-RoRuyn, $37,302, the property that started Quebec rush.

Eastward Mining Co., $11,206, claims Kirkland Lake.

Norbec Mining Co., $13,520, 223,477 shares.

Adsit Mining Corp., $13,399, adjoins Horne.

Quebec Smelters, $2,960, adjoins Horne.

Red Lake, 12 claims staked.

Noranda holdings, besides original Horne group, include Noranda concession group, 454 acres; S. C. Thompson, Fletcher and James claims, 200 acres each, all three now part of Powell-Rouyn; Timming group, 860 acres. Horne included 5 claims, 6 fractions, 567.69 acres, and great bulk of success met to date has been on Miller claim, named after Horne's partner, also a New Liskeard prospector.

The balance sheet, Dec. 31, 1925, shows 578,000 shares in treasury. The expenditures for 6 months to June 30, 1926, show 125,000 shares paid Lake Tremoy Syndicate, and 75,000 issued to managing directors. Latter does not increase liability but increases stocks issued. Additional shares went out, leaving 202,600 shares in treasury.

NORANDA ORE RESERVES

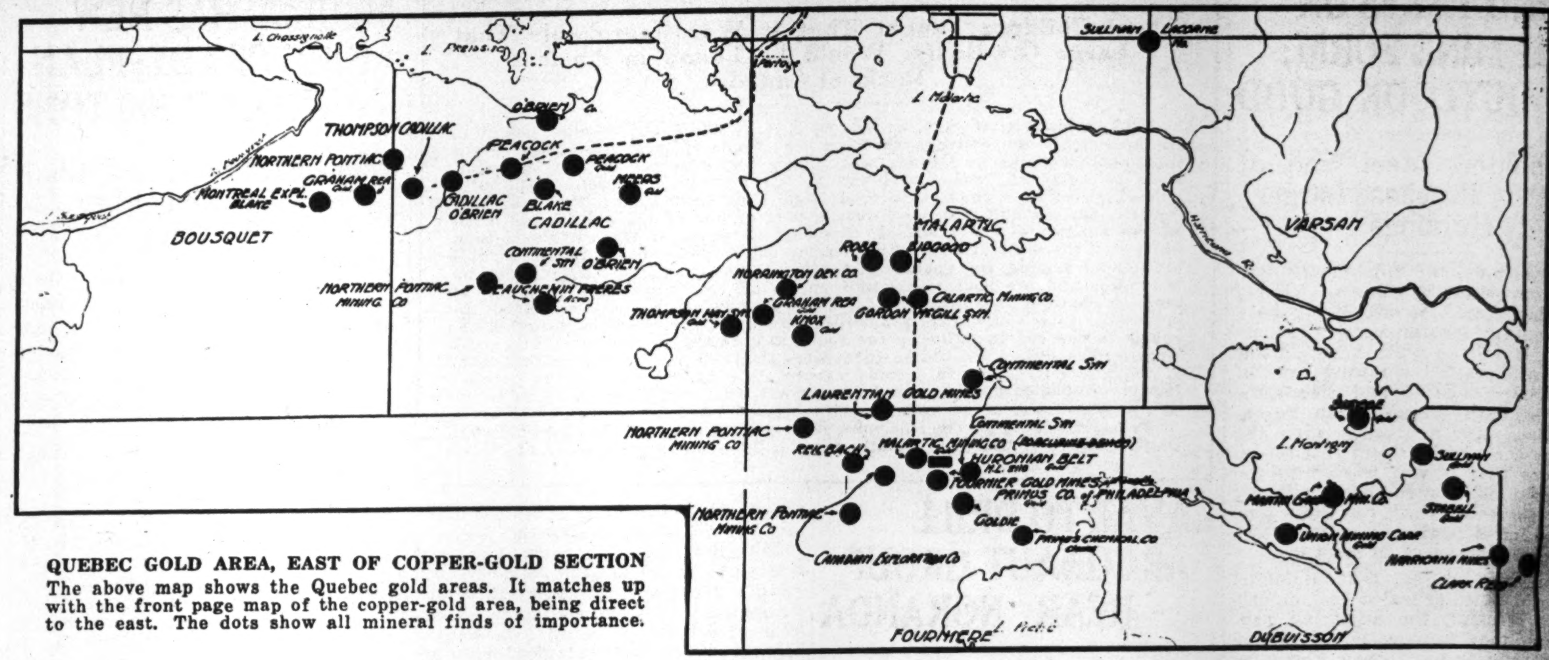
	Tons	Gold, $	Copper, %	Av. per ton	Value
xDec. 31, 1924	239,000	....	....	......	$ 6,567,400
xxDec. 31, 1924	372,500	....	....	......	$ 5,840,000
Total, Dec. 31, 1924	611,500	....	....	$20.29	$12,407,400
xxNov. 1, 1925	982,265	5.25	5.94	$20.70	$20,329,000
xxJan. 1, 1926	944,525	5.54	6.7	$22.96	$21,686,294

xPartially developed.

xxPartially developed and indicated.

NORANDA WORK ON HORNE IN FEET

	During 1924	End of 1924	During 1925	End of 1925
No. 1 shaft	124	124	204	328
No. 2 shaft	73	73	85	158
Drifting—Crosscutting	1,256	1,256	5,974	7,230
No. 3 shaft	...	...	...	...
Diamond Drilling	..	16,497	7,193	24,925
Assays made	...	4,028	4,140	8,168



QUEBEC GOLD AREA, EAST OF COPPER-GOLD SECTION

The above map shows the Quebec gold areas. It matches up with the front page map of the copper-gold area, being direct to the east. The dots show all mineral finds of importance.

Portland Canal Pioneer Trying to Pick Fourth Winner in a Row

Is it possible to pick four winning mines in a row?

Grant Mahood, Vancouver, pioneer of Portland Canal area in British Columbia, is attempting this feat, and seems in a fair way to make good.

He picked the Premier. It was a sensation. B.C. Silver was his next choice. It looks as if it may outrival Premier. Then came Bush Mines, and National Mining paid him $750,000 for this prospect. Now he has tackled Extenuate.

Rather a remarkable fact about the four operations is that Premier is lowest down on Premier Mountain, then the others follow up in a row. Extenuate, the higher up of the four, is attracting considerable interest. Its outcrops are considered very spectacular, and some geologists have voiced the opinion that it is on the top of the ore deposit with Premier at the bottom or end. They have pictured the possibilities of Extenuate having a tremendous depth of ore for this reason. Mahood is a gambler who has been an asset to the country and his latest bet seems to possess considerable merit. He is like Harry Oakes and the Tough Brothers of Kirkland Lake fame. What he has taken out of one mine he has spent in trying to make another.

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Location: In the very heart of the rich Rouyn Copper-Gold area midway between the famous Noranda and Waite-Montgomery.

Progress Reports: Harry J. Stewart, mining engineer and director of Grover-Daley Mines, Limited, writes on November 2nd, 1926, as follows: —

Mr. I. J. Isbell, Montreal.

"I am to-day in receipt of another most encouraging Progress Report from our Superintendent on the GROVER-DALEY Property, and feel very much pleased over the outlook.

"Out developing and prospecting work to date has shown very satisfactory results. In addition to tracing veins number one, two, three and four, for a distance of 800 feet, 400 feet, 600 feet, and 2,000 feet, respectively, and opening these veins in a number of places with pits and cross trenches in order to prove up the continuation of the mineralized zone, we have been carrying out a detailed Prospecting Policy in other parts of the property and this policy is meeting with extremely satisfactory results."

Yours very truly,
(Signed) Harry J. Stewart, Managing Director.

Outside Opinion: Mutch's Mining Service reports as follows on Grover-Daley: —

MUTCH'S MINING SERVICE REPORT.

"Personal inspection was made of this property some time ago, and we found on surface strong veins which had been uncovered for lengths up to 2,000 feet. These veins have been tested on surface by pits, etc., sampling and assaying in which gave interesting results. Mineralization is in many places quite strong. The formation is good, and we believe that diamond drilling to depth, along with considerably more surface work, which is now going on, has every chance of opening up ore deposits of importance. The property is in good hands, well financed, and is intelligently explored. It looks to us like one of these Quebec properties which, provided sufficient work is done, will eventually develop, or at least have a fair chance of developing into an important producer."

The veins on Grover-Daley have all been opened up with pits and cross trenches showing highly mineralized chalcopyrite with assays as high as 20 per cent. copper.

Directors:—W. T. Mason, president of Mason-Gordon Lumber Co., president; J. H. Sherrard, director of Westmount Trust Co., vice-president; O. E. Beckett, insurance broker, secretary and treasurer; J. Thurston Smith, secretary and treasurer of Lewis Bros., Ltd., director; E. A. Robinson, manager Montreal Cotton Company, director; Harry J. Stewart, mining engineer, director; Dr. Evan D. Lewis, director.

Public confidence is well placed through participation in Grover-Daley stock offerings—based both on the rich promise of the company's holdings and the company's excellent executive personnel.

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DEVELOP CYCLONE RAPIDS GROUP OF ARCHEAN MINES

Subsidiary Takes Up 14 Claims and Options Others

Archean Mines Development Co., which has immense holdings of copper-gold ground in Clericy Tp., and has already opened up three important showings in different parts of the property, has decided that the best method to handle its large holdings is to divide the important groups and develop them by subsidiary companies. Recently it has announced the organization of Harvie Mining Exploration Co., named after Dr. Robert Harvie, founder of the company, known for his association with the Geological Survey of Canada. He made one of the first copper finds in Quebec back in 1906.

For the new company Dr. Harvie has taken over part of the now famous Cyclone Rapids Group, 14 claims, and also optioned a block from Ontabec, which adjoins Archean on the south and has the granite contact.

Principal interest in this group centres around claim 2517, where there is a concentrated mineralized area 25 by 100 feet., with two others in close proximity. Dr. Harvie says that the joint seams of the rock in each case are filled with pyrrhotite and chalcopyrite, the veinlets in some cases being as much as an inch thick, while in a test pit the corners of the blocks are so rounded and replaced by ore that the result may almost be called massive ore, a distinct improvement being met with increasing depth. The impression left with those who have studied these concentrations is that these outcroppings mark and are the tops of ore-bodies of magnitude.

From data made available by the work already accomplished, and concurred in by the several independent engineers who have gone over the properties, Dr. Harvie says he now favors a more intensive surface campaign to run concurrently with the program of underground development and diamond drilling he has recommended. He expresses the opinion that diamond drilling and underground work should be employed only after the most exhaustive surface development has indicated the locale of the concentrations and the most effective method of attacking them. In this instance sufficient work has been done, with results amply justifying the program proposed. He will push forward this work through the winter months, and it will be facilitated by the fact that the railway is completed. He believes the results will confirm his opinion that the situation centered in claim 2517 has definite possibilities of making a mine.

From the organization of the Harvie Mining Co., Archean will receive $50,000, and this money will be used in the further development of the other two important finds on the property. Archean will, of course, receive further consideration from the Harvie for the 14 claims.

A report by H. H. Claudet on the group 2517 says:

"On claim 2517 a considerable amount of surface work consisting of stripping, trenching and test pits has been done over a large area extending along the top of a level part of a knoll which slopes in a westerly direction some 500 or 600 feet to a point about 100 feet vertically below, where further surface stripping, trenching, and test pits have been made. The test pits and trenches on the top have disclosed numerous joint-seams mineralized more or less with chalcopyrite and pyrrhotite and, in addition, small quartz veins carrying chalcopyrite are present. Most of these veins are thin but, occasionally, the chalcopyrite becomes massive.

"In No. 2 pit, which is down 12 feet, the chalcopyrite was massive with depth. Down the hill in a westerly direction the several pits and trenches referred to above show somewhat similar conditions of mineralization, evidently being replacement veins of chalcopyrite with associated pyrrhotite, the latter at times being quite massive. Two of these pyrrhotite veins, each approximately one foot wide one of which is about 130 feet long, were discovered by the magnetic survey. The general dip and strike of all these veins appear to be the same, and dip of the veins on top of the hill, those below conforming with the strike namely, strike approximately N. & .S. dip to east.

"The general opinion of those who have visited the property is that these mineralized areas give a very strong suggestion of being the margins of ore bodies, and the only way to ascertain this is by underground development in order to find out whether these surface showings are the tops of ore bodies of commercial value. The extent and strength of this mineralized area favors this assumption, and, having gone so far, the only logical thing is to prove this point.

"In order to consider what would be the best way to develop this area, a rough survey of the ground was made to show on the plan the distance that the showings on the top of the hill are from those below, also an approximate idea of the contour of the hill. This plan shows the horizontal distance is a little over 700 feet, and that the difference in elevation is 125 feet. In other words, a cross-cut tunnel, if driven along the line A B at the level shown on the plan, would cut through the ground where these veins presumably extend, if they do extend, and at a distance of about 700 feet would reach directly vertically 125 feet beneath the showings on the top of the hill. An alternative would be to drive it far enough to reach below the first veins, say 250 feet, and not to continue unless this ground gave promise. A diamond drill could then be run horizontally from the face of the tunnel instead of continuing the drift. Further consideration is necessary before deciding on the best way of exploring the ground, but the results of the work already done justify the carrying out of a development plan which would prove at a moderate cost whether there is an ore body of value below."

The Ontabec group under option contains a situation said to be rivalled only by that on 2517.

The present objective of the company, recommended by both Dr. Harvie and Mr. Claudet in their reports, is by underground development and diamond drilling to establish on 2517 the existence of a commercial body of ore sufficient to make a mine. Similar activities on the other situations on the properties will be carried out later.

Ontario Helped Quebec, Quebec Helps Ontario

Ontario mining development was responsible for focusing attention on the mineral possibilities of the area in Northwest Quebec adjacent to the Ontario boundary.

Prospectors went in there looking for gold. Instead they found copper.

Quebec is now paying back her debt to Ontario. Prospectors are crossing into Ontario, looking for copper, because of the opening up of the Quebec copper deposits.

The Ben Nevis area of Ontario, that part of the province west of the Quebec boundary and north of the Argonaut mine, holds decided promise for the finding of copper deposits, and some interesting discoveries have already been made.

This line is practically along the height of land, and as Cyril T. Young. of the C.N.R., says, the height of land sems to be the Quebec-Ontario copper belt.

These remarks, and the prospecting going on north of the Argonaut, are focusing attention on the northern copper belt in Quebec, starting with the Amulet, Waite-Montgomery are, Duprat, Nipissing and Consolidated Smelters, through Montbray into McGarry, Ossian, Katrine, Ben Nevis Clifford and on west.

The great activity on the belt for the present is in Duprat and Montbray townships, Quebec. Waite-Montgomery is doing a considerable amount of work.

Prospectors who have just come out of the Ben Nevis area in Ontario. stated that townships are almost solidly staked, and that considerable work has been done and several important finds are made.

WAITE, A MINE PUBLIC NOT IN

Further Work Being Done With Possibility of Public Offering Later

There has been some disappointment that a public offering of shares in Waite-Montgomery has not been made. Reports first issued were to the effect that diamond drilling had revealed a sizeable body of gold-copper and later zinc ore and that reserves indicated already totalled several millions.

Since then there has been much talk of a public offering of the stock. Pres. Noah Timmins, Hollinger Consolidated is in control and it was stated unofficially that if results were up to expectations, Mr. Timmins might make it possible for the public to participate in the venture.

Shortly afterwards work was for a time suspended and later surface exploration was resumed and it is believed that more drilling will be necessary. The Waite property looks like a mine and is so regarded by engineers in touch with the camp. The question to be decided is just how big it is. From the top of the hill to the north of the property the company drilled and at 500-ft. cut an interesting looking sheared zone which strikes to the west where it encounters a diabase dyke and it is believed that it is along the contact of this dyke that the best results will be met with underground. To the north of this shearing there are bodies of rhoyalite and andesite. Up the side of the hill the layers of these basic and acid rocks are quite discernable. The situation is of decided interest.

A recent report says of Waite:

"Gossip places the ore reserves at something like 400,000 tons, with a gross value at current metal quotations of $10,000,000. Even if this figure for gross value were discounted 50 per cent., a good mine would still be assured. This much is certain: the railroad company is building a four-mile spur from the O'Brien-Rouyn branch to the Waite-Montgomery, and that in itself is the best evidence that a large ore deposit has been proved. Moreover, numerous additions are being made to the camp, which already comprises about 15 well-built log cabins and a number of larger log structures that deserve a more elaborate designation than cabin.

INDICATIONS POINT TO QUEBEC MINERAL BOOM DURING COMING YEAR

Continued from page 17)

next year will probably be confined to the western portion of the area, that is, west from Joanne, Clericy and Aiguebelle Tps., and probably to a lesser extent in the outlying areas of Desmeloizes, Malartic and Bourlamaque.

Within the next year or so considerable geological knowledge should be gained as to the nature of the deposits. So far this knowledge has lacked detail. Many of the copper-zinc deposits have been identified as those of the replacement type and associated with certain volcanic rocks in the vicinity of basic intrusives. Granite and other intrusive acid rocks are usually also found in the same vicinity, but it is difficult at present to determine their significance.

Sees Sign of Boom

Every indication points to a boom in the Northwestern Quebec mineral area during the next year and attaining real proportions next summer and fall. During this period and thereafter, there should result the proving of a great deal of ground, and no doubt the addition of many other important mineral discoveries. It would be well here to call attention to the warning of the Provincial Government contained in the Report of Mining Operations for 1925, which beseeches the public to beware of the unscrupulous promoter, for no doubt many will appear during the boom period. A mining property is no better than its known or positive ore reserves, and the relationship existing between this on one hand and capitalization, market price, etc. on the other, should be carefully scrutinized before risking any money on mining speculations. A good mining prospect or mine is self-advertising, on merit, whereas columns of publicity relating to a prospect usually means exploitation for the interests of the promoters.

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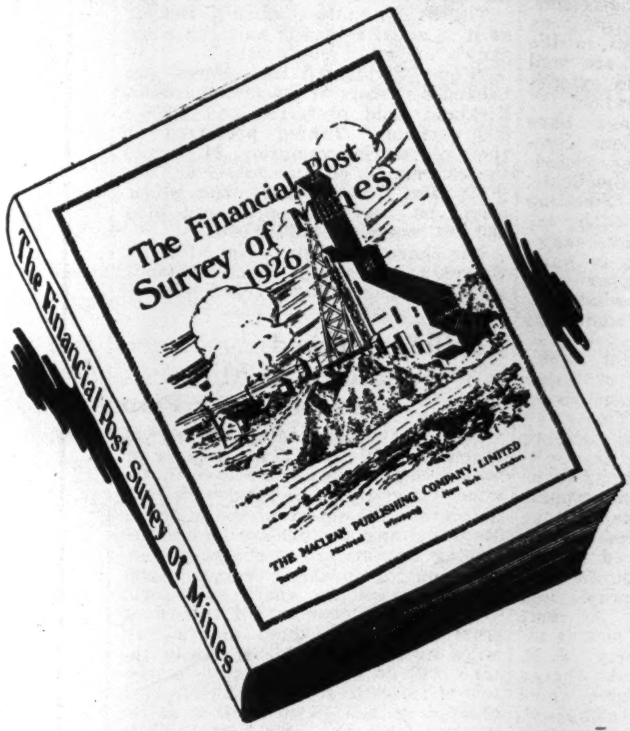
The Financial Post Survey of Mines 1926
The Financial Post Survey of Mines
THE MACLEAN PUBLISHING COMPANY, LIMITED

The Financial Post Survey of Mines, recently off the press, will help you decide what to buy and what to sell. This book (9 x 12 inches in size) gives the facts about every Canadian mine—its early history, its capitalization, its cost, its reserves, financial and ore, its directors. It is on such information that your buying and selling orders should be placed.

To Get This Book You Must Act Quickly
Only Six Hundred Copies are Left

Of the 8,000 copies printed and ready for distribution early in October, well over 7,000 copies have already been sold and delivered. Mining investors have been eager for this book. It is evident the whole edition will be disposed of in the next two or three weeks. We are anxious that these copies get into the best hands and for that reason urge you to send your order now.

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Nov. 12.

BOISCHATEL GROUP HAS ACQUIRED NEW HOLDINGS

Add Eight Hundred Acres in Montbray — Is Well Located

Further satisfactory reports continue to come from the north in regard to the development of Rouyn-Boischatel Dev. Co. holdings and particularly as to the satisfactory results being obtained on the north property in township of Boischatel.

The properties owned by the company consist of a 600 acre block known as the South group, which adjoins Aconda Mines on the West and is the second property to the West of Amulet "C." The company also owns a 240-acre block known as the North group, lying between the Stadacona Rouyn and the Nipissing and close to the boundary line between the township of Boischatel and Duprat.

On the South group a magnometric survey was first made by Charles Spearman, B.Sc., M.A., Montreal, and as a result of this survey three different mineralized zones striking east and west were disclosed. Recently, a number of test pits were put down disclosing mineralized areas, over which the dip needle recorded high readings.

Aconda Looks Well

It is reported that as a result of trenching and exploration work on the Aconda Mine holdings adjoining the Rouyn-Boischatel South group, spectacular showings have been obtained. This work is under the direction of Messrs. Alderson & McKay, mining engineers, Montreal, and the work being done by tnem will be of considerable interest to Rouyn-Boischatel Development in the exploration of their holdings. Considerable surface work and trenching has already been accomplished on favorable ground in this group and it is reported that indications are excellent and a further campaign will be instituted to determine the extent of this mineralized area.

On the North group of 240 acres a large amount of strippling trenching has been done and a mineralized area of considerable width running northeast and southwest has been located. The geology is favorable and the results obtained to date are most interesting. Channel samples from this mineralized zone were secured and assays were obtained as high as 15.61% copper, equal to 312.2 pounds per ton with satisfactory gold values and traces of silver. The zone uncovered through trenching and blasting disclosed important chalcopyrite mineralization disseminated through the rhyolite. Work carried on up to the present has disclosed in one place a rich find of copper, six feet in width, extent of mineralized zone is still undetermined but is very large. There are other places looking equally promising and work is being done there.

Group Near Towagamac

The excellent results comprising some rich finds which have been obtained on the Alderson McKay (Towagamac) further to the west, in addition to the reported satisfactory results obtained by other important companies operating in Boischatel to the west, is taken by Boischatel Dev. as having an important bearing on the future of their holdings in the township. They say they are well within the mineralized zone extending westward from the Noranda.

Many important showings have been obtained by the various companies operating in this area, including Coniagas, Victoria Syndicate, Consolidated Mining and Smelting and others, and it is conceded by experienced engineers who have examined this district that it is quite probable that several copper gold mines may be developed where intensive and scientific operations are carried on.

Recently, Rouyn-Boischatel Development took over a block of favorable ground in Montbray, comprising approximately 800 acres. This property adjoins Consolidated Mining and Smelting holdings on the northwest. The deal was consummated as the result of two independent reports by engineers sent in to examine the property. Some very good copper showings have been obtained on the surface. Geological conditions and findings are decidedly favorable and warrant immediate work. A camp to accommodate a crew of men is already erected on the property. J. H. Tough is now enroute to take charge of the exploration programme which has been laid out by the company's engineer to cover a period of the next six months.

This group was formerly known as the "Walker Grace" claims, and is a short distance from the Papke Wragget claims under option to Noah Timmins, Que.

An option on controlling interest in Rouyn-Boischatel Development Co. is held by strong mining interests in Boston, whose engineer and geologist recently returned from a tour of inspection. It is said that he was favorably impressed with the country and particularly those properties in which his company are interested.

Mining Corp. Interested in Group in Montbray

Mining Corporation of Canada will likely start exploration of a group of claims in Montbray Township in the vicinity of Coniagas and Nipissing claims. The group in question shares favorable geological conditions in common with the ground on which discoveries have been made. The participation of Mining Corporation in the general hunt for copper-gold deposits in Rouyn adds one more of the more important and aggressive mining concerns to the long list of companies which are active in the district at the present time.

CAPITAL VISITS OPPORTUNITY

"Capital Visits Opportunity," is the appropriate heading which F. G. Oke & Co. put on an article in their market letter dealing with the recent visit of the Bank of Commerce party to the mining camps of Northern Ontario.

IF BEAVER DIVIDEND OF KIRKLAND SHARE STANDS, WHO PAYS?

Stock Has Never Gone Ex-Dividend Because of Suspension

The complicated Beaver dividend situation is in the transition stage between the time the stock should have gone ex-dividend, Nov. 1, and the time the dividend was to have reached the shareholders, Nov. 15.

Next Monday Beaver shareholders would have started receiving certificates of Kirkland Lake share on a basis of one Kirkland Lake Gold for every two Beaver held. That was the decision of the old board of directors the day before the annual meeting was held.

The new board of directors suspended the dividend and there are some who are inclined to question their power to do so. Any steps to test out the correctness of the position of the two boards, the old in declaring the dividend and the new in suspending, will hardly come until after such time as shareholders fail to receive the expected payment. There is talk that the dividend was never ratified and could not be paid. These are legal points. Perhaps a covering point is that the annual meeting has not yet been completed, but stands adjourned indefinitely.

May Not Be Trouble

If the new board were within their rights in suspending the declared dividend, there is little chance of complications of a serious nature. But, if the ultimate decision is that the declaration of the old board was legal and therefore payable, what a storehouse of trouble seems to loom.

If the dividend had been allowed to stand, the stock would have gone ex-dividend on Nov. 1. It did not, however. It has continued to sell around the same price on the exchanges, and as far as can be learned the stock has not been posted as being ex-dividend. Such being the case the old shareholders of register on Nov. 1 would regard the stock as being ex-dividend in so far as the company was concerned and be able to sell their stock after Nov. 1, and at the same time expect the dividend. On the other hand those who have bought the stock since, at market prevailing before the time that the stock would have gone ex-divided, may make the claim that their shares not having been posted as "ex," are therefore "come dividend."

May be Two Claims

In other words, it might develop that there will be two claims for the same dividend. Undoubtedly, there have been many legal opinions already secured on the subject, and it is stated that the old board had lawyers working a couple of days before the declaration.

The dividend means much to Beaver as it is equal to about half the company's known liquid assets.

"Come dividend," the shares are backed by assets of 500,000 shares of Kirkland Gold preferred and 1,200,000 common. Taking preferred at their redemption valuation, $1.10, and the common at 80, this totals $1,510,000. But "ex-dividend" the stock would be worth the preferred plus 200,000 common, or $710,000.

Per share this figures out at about 75 cents per share "come-dividend" and 35 cents per share "ex-dividend."

Refilling Worked Out Stopes of Mine is Hollinger's Plan

Hollinger Consolidated Mines at Porcupine will soon make a start on back filling worked out stopes in the mine. These are to be filled with sand to improve the safety of the mine for deeper mining. Towers are up and unloading stations are in course of construction for an aerial tramway over which an endless chain cable will draw car after car loaded with sand from a property three and a half miles away. From this tramway the sand will be dumped through a system of raises to stopes that have been ordered refilled. A system of raises reaches from the 1,800-foot level to surface. One large raise has been opened up near Central shaft and this will serve as a central distributing point for the entire mine.

LAKE SHORE QUARTER

Lake Shore in the third quarter of the year handled 45,438 tons, value $750,000.

QUEBEC TESTING
LABORATORIES,
ROUYN, P.Q.

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RESIDENT ASSAYER

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CANADA HAD 52 QUARTZ MINES PRODUCING GOLD IN 1925: 42 DEVELOPING

(Continued from page 22)

industry in Canada in 1926 amounted to $84,964,062 as against $83,982,765 in the previous year. Of this total approximately 74.5 million dollars was invested in Ontario and about 10 million dollars in British Columbia. There was also a small amount reported as invested in gold mines in Nova Scotia and Manitoba.

Salaries and wages paid in 1925 amounted to about 10.6 million dollars as against 10.5 million in 1924. Employees in operating mines numbered 7,052, of whom 445 were on salary, 1,871 were wage-earners working on surface, 4,146 worked underground and 590 were employed in the concentrators. Of this total number employed, 6,248 were in Ontario gold mines, 702 in British Columbia, 49 in Nova Scotia and 53 in Manitoba.

Gold production in 1925 was the greatest of any year on record, and with the increase in milling capacity, the developments of prospects into mines, improved mechanical equipment, and the increase in the metallurgical knowledge concerning this metal, there is little doubt that Canada's gold production will continue to show steady growth.

Copper-Gold-Silver Mining

The copper-gold-silver mining industry comprises a group of mines producing ore containing gold, silver and copper, in which the copper values predominate. The largest mines and the greatest number of this type are located in British Columbia, though Manitoba is known to have big ore reserves of copper awaiting adequate transportation and smelting conditions; Ontario has several small properties of this class, but they are mostly idle. In the province of Quebec the Eustis mine is at present the only producing property in this group, but recent developments in the section of the province adjacent to Ontario bid fair to make Quebec in the very near future, an outstanding copper-gold producer. British Columbia is the largest copper-producing province of the Dominion.

Ores from the principal mines in this group are handled as follows: The Granby Consolidated Mining, Smelting and Power Company mine and smelt on the property at Anyox on the Portland Canal; the Britannia Mining and Smelting Company situated at Britannia Beach on Howe Sound and the Belmont Surf Inlet Mining Company, Ltd., export ore and concentrates to the Tacoma smelter of the American Smelting and Refining Company. From the mines of the Rossland district which are mainly owned and operated by the Consolidated Mining and Smelting Company, ore is shipped to the smelter at Trail. The Allenby Copper Company which is mining at Copper Mountain near Princeton, B.C., concentrate the ore in their own mill and ship the concentrates to the smelter at Trail.

41 Gold-Copper Mines

In all, 41 mines of this class were reported in 1925; of these, nine were producing, eight being located in British Columbia and one in Quebec. Of the remaining 32 mines which were operating, but not producing, 28 were located in the province of Quebec and four in British Columbia.

Because of close interplant relations, some companies do not find it possible to separate the capital invested in mines from that invested in their smelting operations. The Granby Consolidated is one of these and the total capital employed by this company has been credited in the report on "Metallurgical Works," in which total also the capital employed by the Consolidated Mining and Smelting Company in their smelter at Trail has been included, but the amounts invested in different mining properties have been accounted for separately, some in the Copper-Gold-Silver group and some in the Silver-Lead-Zinc group. With these limitations, the capital employed in the Copper-Gold-Silver Industry in 1925 amounted to approximately $23,000,000 of which over $9,000,000 was invested in the province of Quebec, and $14,000,000 in British Columbia.

Production Figures

Shipments of ores and concentrates from the copper-gold-silver mines in Canada amounted to slightly less than a million tons valued at approximately 7.7 millions of dollars. Foreign shipments amounted to over 125,000 tons valued at about five million dollars. Shipments to Canadian smelters amounted to 840,000 tons, having a value of about 2.5 million dollars. These shipments of concentrates and ores were reported to contain 62,401 fine ounces of gold, 567,759 fine ounces of silver, 73,689,945 pounds of copper; in addition to 6,125 tons of sulphur which was exported in the form of gold-bearing pyrite from the Eustis mine in Quebec.

Salaries and wages paid in the industry amounted to $3,555,844, and employees numbered 2,476 persons.

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COMPANY LIMITED
No Personal Liability

Authorized Capital $500,000.00
100,000 Shares, Par Value $5.00

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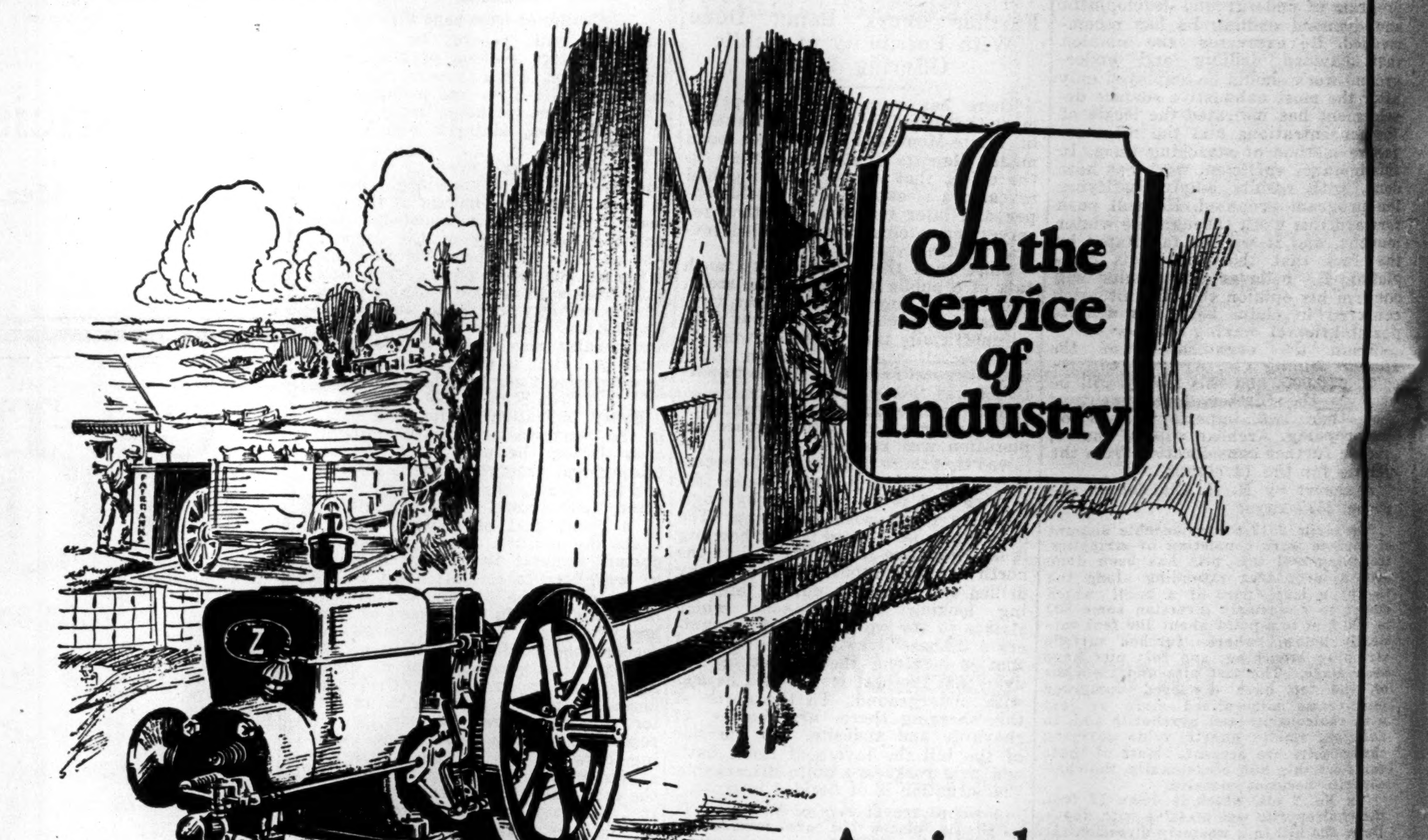
H. A. BERTRAM, Sec-Treasurer, Montreal, Que.
JOHN BRYSON, Montreal, Que.
COL. R. G. RENDELL, St. John's, Newfoundland
Field Engineer
W. A. COUGHLIN, M.E., Montreal, Que.

Owning 5,000 acres in the Townships of Montbray, Duprat, Dufresnoy, Cadillac, Malartic, Bourlamaque and Clermont. Several of the above properties have disclosed excellent showings.

The Company has also acquired 1,000 acres in the Township of LaSarre where diamond drilling and a crew of 30 men are opening up an excellent copper showing.

For further particulars regarding holdings and recent developments, write

Suite 421-422, 120 St. James Street
MONTREAL, QUE.



In the service of industry

Agriculture

Stern necessity has taught the average Canadian farmer to be unusually conversant with things mechanical. He is a keen and critical buyer of machinery. Any equipment he purchases must give assurance of its ability to stand up under severe service. The fact that 400,000 farmers have bought Fairbanks-Morse Z. Engines, as well as Feed Grinders, Windmills, Scales, Lighting Plants and Water Systems, is most significant.

Much development work has been necessary to win for Fairbanks-Morse equipment its present acceptance; and this development work still goes on. Fairbanks-Morse engineers are constantly making improvements calculated to reduce manual labor on the farm. Our eleven branch warehouses cover the Dominion from coast to coast, and a network of dealers the country over are ready at all times to supply spare parts and give service on Fairbanks-Morse machinery.

The same reliability which has given Fairbanks-Morse equipment its present prestige on the farms of this continent is built into every piece of Fairbanks-Morse machinery, from the 720 horsepower Diesel Engine to the silk scale which registers to the one-hundredth part of an ounce, and into all other lines listed in our 800-page general catalogue.

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524

BIG DIABASE DYKE FROM HORNE MAY ENTER STADACONA

Manager Norrie Working on Interesting and Important Geological Theory

Stadacona Rouyn Mines has speeded up efforts since Jas. P. Norrie was named consulting engineer. This company owns 31 claims in Quebec field, and work this summer consisted of trenching, mapping and prospecting, except on four groups, 8, 2, 11 and 13, where more extensive work has been accomplished.

In the block of property half a mile east of Waite-Montgomery, the same ideal geology has been found to exist as on the Waite. Considerable work has been done, and the engineer in charge is confident of satisfactory results. To the north of the Waite-Montgomery, he has also found the same results.

In the 31 blocks of property, there are over 10,000 acres besides the 120 acres tying on to the Howey block in Red Lake. A recent report from Rouyn states: "Dike following the Horne dike in block 2, showing chalcopyrite, malachite and running from three to five per cent. copper, surface showing." An unofficial statement, very optimistic in its nature, is that Stadacona may have five-sevenths of the known Noranda zone. Mr. Norrie had traced this diabase dike for over 8000 feet across Stadacona property and seems satisfied that he had the next major discovery in Rouyn, and is quite confident that he has a mine.

In a recent report on Block 8, Mr. Norrie says:

"After completing a geological and dip needle map of Block 8, I noticed a continuous belt of diabase rock cutting across our property. I came to the conclusion that this might possibly be a continuation of similar rocks from the Noranda. I visited Mr. Hibbert, manager of the Noranda, and he was kind enough to take me personally through their underground workings and show me how development work was being done.

"I found that all the high-grade ore bodies of Noranda lay right up against a diabase dike about 90 feet wide, and all development work now being done is along this dike. In other words, the diabase dike is the basis upon which all the work is now being carried on.

"I have since traced the above described dike from the edge of Osisko Lake right across our Block 8. I found the width to be about the same as found on the Noranda, i.e., 90 feet. I am in hopes, however, that I will find the dike in question to cross our southern property, Block 2, somewhere near the north and south-centre line.

"I might say that I have had a Canadian government geologist identify the above, as he helped me trace the dike from the north edge of Osisko Lake to our north boundary, Block 8. Since plotting the dike on my geological map I find that nearly all the mineralization so far found on Block 8 is within 200 feet of the dike on one isde of the other.

"We now have definite basis on which to confine our future work on this block. I propose to thoroughly explore the ground in vicinity of the dike with a magnetometer and I feel sure that very satisfactory results will follow.

"The presence of this dike on our Block 8 points to the highly probable fact that similar bodies to the Noranda will be located, as all other geological conditions are the same. In fact, I think that present indications will turn into ore bodies when followed in the direction of the dike."

In a later report Mr. Norrie adds:

"During the week I continued work on the diabase dike referred to in last week's report. The dike was traced to the southern boundary of Block 2, the last 2,000 feet with difficulty, due to overburden.

"We now have the dike cutting across both Block 8 and 2. Much rich float has been found along the dike over its entire course.

"I am now using the centre dip of the dike as a base-line, and from this will thoroughly magnetometer this area. It is unfortunate that in many places both contacts of the dike are covered with overburden. However, our efforts are now more or less confined and trenching can be done more efficiently."

Canada Owns World's Best Deposit of Talc

Hastings County Operation Provides Principal Supply of Raw Material for Making Talcum Powder for Canada and United States

Canada possesses one of the most important high grade talc deposits in the world. This deposit, situated near Madoc in Hastings county, Ontario, has been, according to Dr. M. E. Wilson, of the Geological Survey, the principal source of talc for the manufacture of talcum powder in both Canada and the United States for a number of years.

Talc occurs in several forms and is characterized by properties that render it useful for a great variety of purposes. The most valuable type is a white variety of sufficient purity to be used in toilet preparations. The principal deposit in the Madoc area is a crumpled mass of white flaky talc schist 1300 feet long and from 5 to 65 feet wide, developed in dolomite not far from an intrusive mass of granite. Most of this deposit is owned by the George H. Gillespie Company, which operates a grinding plant at Madoc, the remainder belonging to the Asbestos Pulp Corporation. The total production of ground talc from the Madoc properties in 1925 was 13,678 tons valued at $174,116. Formerly, all that was not marketed in Canada was sold in the United States. but since the imposition of the Fordney tariff, considerable amounts are being shipped to the United Kingdom, Germany and other countries.

Grey talc schist, suitable for use in ground form as filler in paper in dusting rubber and for other purposes, for which a pure white color is not essential is found in the Eagle property near Victoria, B.C., near Anderson lake, on the Pacific Great Eastern railway, B.C., near Chaumox station on the Canadian Pacific railway, B.C., at numerous places in the Eastern townships of Quebec and at many other places in Canada. The talc schist deposits of the Eastern townships of Quebec are associated with the same igneous intrusives as the asbestos deposits of the same region. They are similar to and lie in the same belt as the talc deposits of Vermont. Ground talc has been produced in a small way from the Eagle, the Anderson Lake and Chaumox properties in British Columbia and plans are under consideration for the erection of a talc grinding plant at Robertsonville, Quebec.

Deposits of the massive variety of talc called soapstone are known to occur near Banff, in Alberta, near Wabigoon in western Ontario and in several localities in the eastern townships, Quebec. Soapstone blocks for use in lining the roasting furnaces of papers mills using the sulphate process have been produced for several years from deposits near Robertsonville, Quebec.

CROWN RESERVE TO TURN TO QUEBEC

Company Has Attractive Holdings in Dasserat and Boischatel Tps.

Crown Reserve, the old Cobalt silver operation which some time ago transferred its activities to gold, taking up a group at Larder Lake, is now switching to Quebec and Copper Gold. The company will do a certain amount of diamond drilling at Larder Lake, but will give the bulk of its attention to Quebec, it has been announced.

The company's Quebec properties are in Dasserat Tp. and Boischatel Tp:. 410 acres in all.

Not much is known about these groups, which were reported on by Maurice Summerhayes, M.E., but at the annual meeting, the decision to concentrate on these when work was resumed, was announced.

NIPISSING'S NEW FIND

Nipissing's new find in Montbray is described as "the best yet."

BOURLAMAQUE HAS ENLARGED HOLDINGS DURING SUMMER

Has Now Several Subsidiaries Operating Various Groups

The summer season has been one of progress for Bourlamaque Syndicate. During the year engineers examined over three thousand acres of ground with the result that the syndicate increased its holdings by about one thousand acres. Most of this ground was taken up in the neighborhood of Montbray, Dufresnoy and Hebecourt.

In Bourlamaque Tp. the company, in prospecting the holdings of the Cambrian Gold Mines in which they are largely interested, opened up an exceedingly fine copper showing about 100 feet wide and over 300 feet long. Work is now progressing on this to further delineate the area of mineralization. Preliminary assays on this ore bed run from three to six per cent. copper, with varied minor gold and silver values.

In Malartic Township the syndicate prospected the holdngs of its subsidiary, the Calartic Mines, Limited, and uncovered some very good free gold showings in its properties near the holdings of the Ray-Graham find. Only assessment work was done in this neighborhood, but the results were such that the company plans an extensive campaign for the coming year on these properties.

Enlarge Calartic Holding

In Rouyn Tp., the syndicate acquired and turner over to Calartic Mines the Robertson claims east of Osisko Lake. Work is now progressing on this property, opening up a large mineralized dike, which shows encouraging values in copper for approximately twenty feet in width.

In Montbray Tp., Calartic Mines are trenching and otherwise checking up the dip needle survey made on this property during the spring. This work has been very encouraging, and we anticipate that a diamond drill will be on this property before Christmas. The preliminary work of the company on these claims has satisfied the engineers of the company that there are tremendous possibilities in this neighborhood, and the syndicate is undertaking to develop these claims as rapidly as possible.

During the year another subsidiary was formed, called the Gold Exploration Company. It took over about one thousand acres of the syndicate's and will carry on development work throughout the winter. This company is being financed by English interests.

In the Thunder Bay District, North American Lead and Refining Co., another subsidiary of Bourlamaque Syndicate, has gone as far as its meagre equipment could take it in the way of prospecting, and the results are such that a larger plant will be taken in this Winter to carry on the development.

QUEBEC HAS OVER HALF GOLD-COPPER MINES

In 1925 Quebec had 28 copper-gold mines operating, with one producer. In Canada there were 41 such mines operating in 1925.

In the non-metallic field the syndicate's subsidiary, Consolidated Feldspar Mines, has a present production in the neighborhood of three cars a week, of which two cars are being shipped. It has recently increased its machinery, and it is the belief of the engineers that its production will be increased to five or six cars a week and shipping likewise increased in the same ratio. This company is gradually spreading out and taking in new properties, with the result that a production of seven cars a week by the early Spring is looked for.

EMPLOY ELECTRICAL PROSPECTING TO LAY OUT CORONA WORK

Property Will Likely be Diamond Drilled After Surface Study

No official announcement has been made, but it is understood that a deal has been consummated to finance development of Corona Mines. This holding adjoins the important Consolidated Mining and Smelting Duprat Tp. group on the South, McDougall, Cassels and Grover Daley on the West, and has Boischatel line for a Southern boundary. The property consists of 200 acres enbloc, and there are 1,000,000 shares, or half the capital, in the treasury.

Considerable surface work has been done, revealing some excellent results. In view of the location of the property to the other properties mentioned together with the fact that Corona has the same geological conditions as these other properties where big results are being obtained, Corona looks attractive. Considerable prominence was given to the original discovery on Corona. This was made by Al. Cook, prospector, and since then the development work has revealed large area of well mineralized ore carrying considerable copper content.

It is proposed to explore the property at depth by using Swedish Electrical device which has been used to advantage with the other properties in the Rouyn area. It is further proposed to follow this with a diamond drilling campaign.

Joseph Houston, M.E., consulting engineer, has just completed an examination of the property, and work will now be pushed ahead.

DUPRAT ORE IS MORE MASSIVE IS ENGINEER'S REPORT

Further Work Has Revealed Valuable Information on the Deposit

Duprat shares are to be listed this week on The Standard Stock and Mining Exchange. For some considerable time the shares have been traded in on the Montreal Mining Exchange. However, the great interest in the shares seems to have switched for the time being at least for the bulk of the trading in the stock has come from Toronto and vicinity, and it is expected by those sponsoring the issue that the market will broaden with the new listing.

Duprat is well located in Duprat Tp., adjoining the Waite-Montgomery on the west and a second large block in the same township adjoins Consolidated Smelters on the North. Jos. Houston, who was appointed consulting engineer by the company some time ago, has made his second report on the work done, and reveals some new facts that present the proposition in an interesting light. He says:

"Further development work has opened up the ore on the southerly portion of the south group of claims for a much greater distance. This section, it will be remembered, is in the area to which I directed special attention because of its favorable geological features.

"Further work in the test pits shows the ore as coming in in greater quantity and becoming more massive with depth. This further work tends to confirm previous impressions, that the rake of the ore is toward the south and southwest in the direction of the lake near the southwest corner of the group.

"The extensive development being carried on by the Consolidated Mining & Smelting Co. on their property, which adjoins the Duprat Mines to the south, is of very great importance at this time as they are drilling within a short distance of the line and the dip and direction of their drill holes would indicate that the dip and rake of their orebodies are also in the direction of the lake referred to.

"The work being done by the Consolidated Smelters together with the work done on the Duprat Mines in this section tends to confirm my previous opinion that the main line of weakness and fracturing is through the lake and that either under the lake or in the immediate vicinity of it will be found the principal zone of mineralization.

"Further work on the north group also bears out my opinion expressed on that section and work now in hand I think will shortly show that the orebody on the Waite-Montgomery is genitically connected with the big diabase dyke that cuts across the northern part of the north group.

"Everything is in readiness for the Swedish Electrical Prospecting Co. to commence work and they advise that they will start at the earliest possible moment."

DUPRAT MINES

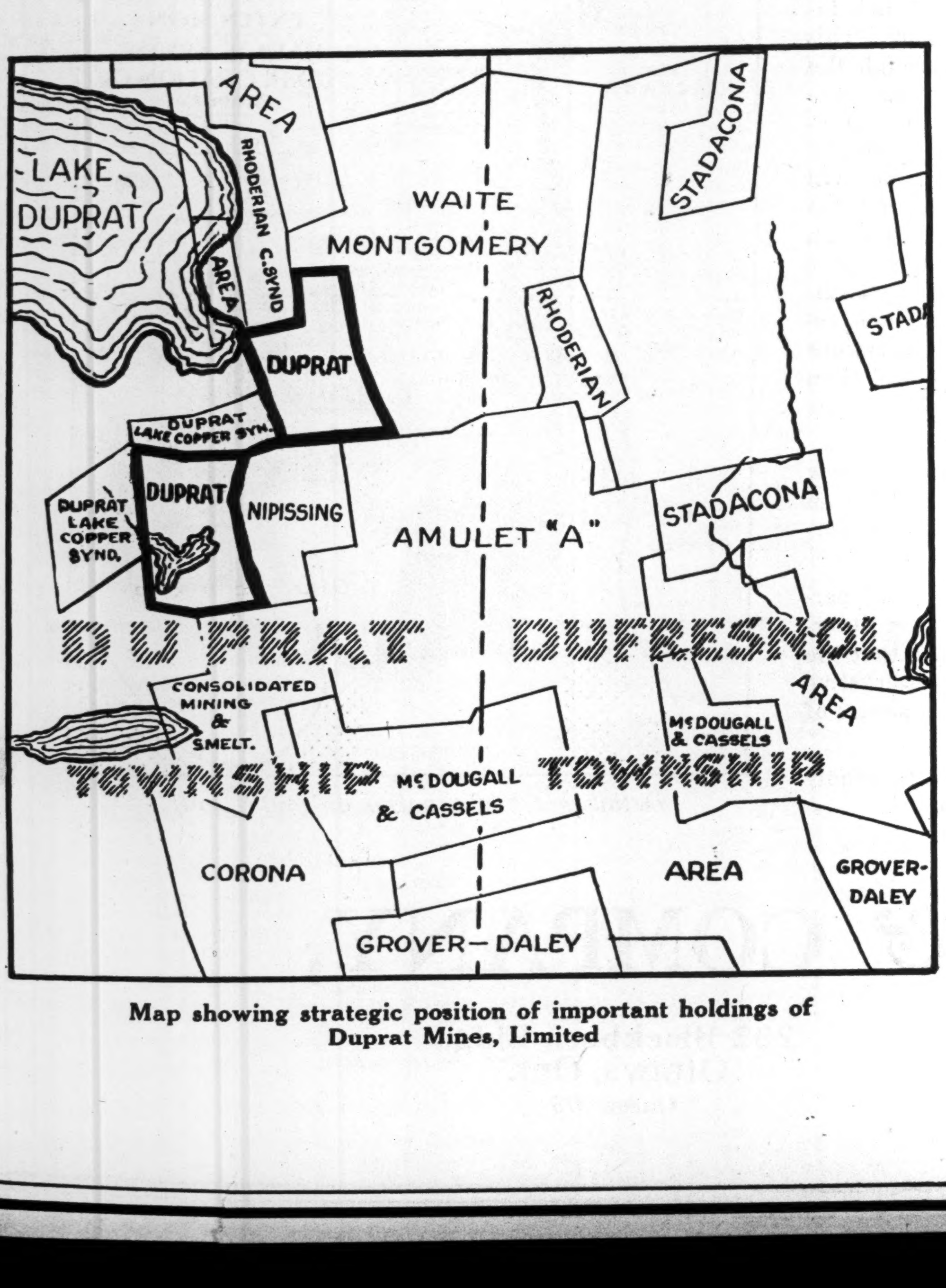
DUPRAT MINES have approximately 500 acres immediately adjoining and lying between WAITE-MONTGOMERY, AMULET, NIPISSING and CONSOLIDATED SMELTERS.

Recent developments stamp the property as being one of the outstanding mining propositions of Northwestern Quebec.

Arrangements have just been completed for a complete electrical survey by the Swedish Electrical Corporation, whose electrical device is the most scientific instrument used today. This is to be followed immediately by a diamond drilling campaign, and immediately following these developments the Company will be able to make an estimate of its tonnage and consequently we most strongly recommend the purchase of DUPRAT shares today at the market.

We feel that DUPRAT shares are surrounded by unusual profit making possibilities.

If you wish more detailed information we will gladly furnish you on request with the same and a new map of the mining area of Northwestern Quebec. (A coupon is attached for your convenience.)



Map showing strategic position of important holdings of Duprat Mines, Limited

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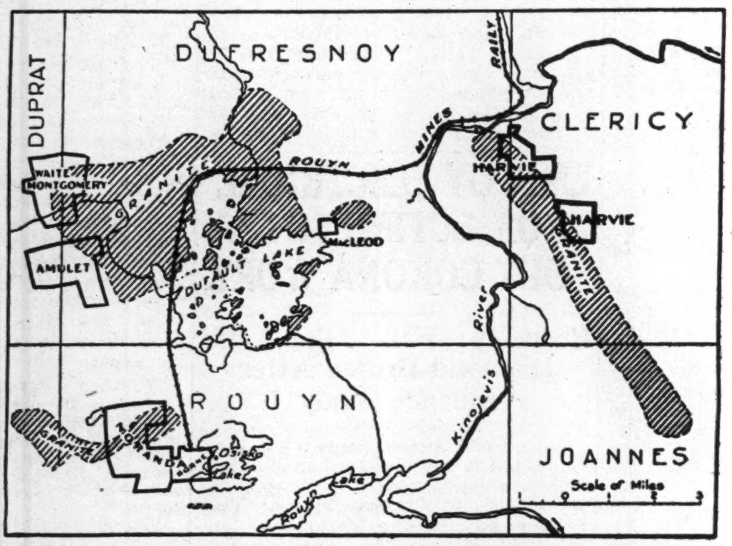
DUFRESNOY
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ROUYN
JOANNES
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GRANITE
ROUYN
MINES
RAILY
HARVIE
HARVIE
GRANITE
MacLEOD
DUFAULT LAKE
River
Kinojevis
NORANDA
OSISKO Lake
Rouyn Lake
Scale of Miles

Rouyn mining area, showing relation of principal properties to the margin of granite areas.

OWING to the numerous enquiries as to the plans of the Harvie Mining Exploration Company, this space has been taken for purposes of record and information.

The primary object of the Company is to develop two defined mining situations in the Rouyn area, which from the nature of the ore so far disclosed, the detailed features of both situations and the general geological conditions, justify the belief that the phase of work now being carried out will result in the development of mines on both. The conclusions which form the basis of this belief are the result of three years of exhaustive search and detailed study, during which time most of the margin of the granite intrusion shown on the first sketch was covered in the search for the ore deposits which Dr. Harvie's experience led him to believe would be found in its neighborhood.

Space does not permit giving a geological study of the significance of the granitic intrusions in relation to ore deposits, but the following observations are interesting as showing the progress from theory to the discovery of ore on this particular situation.

Following their work on behalf of the Geological Survey of Canada in 1924, W. F. James and J. B. Mawdsley reported as follows (Canadian Mining Journal, March, 1925): —

"During the past season the writer completed the Clericy and Kinojevis map area begun in 1923 by Robert Harvie and W. F. James. The region had been covered in less detailed fashion 15 years ago by M. E. Wilson and described in reports of the Geological Survey. Among the new features found in more recent work was a number of acid (granite) intrusives which probably have direct relation to the ore deposits.

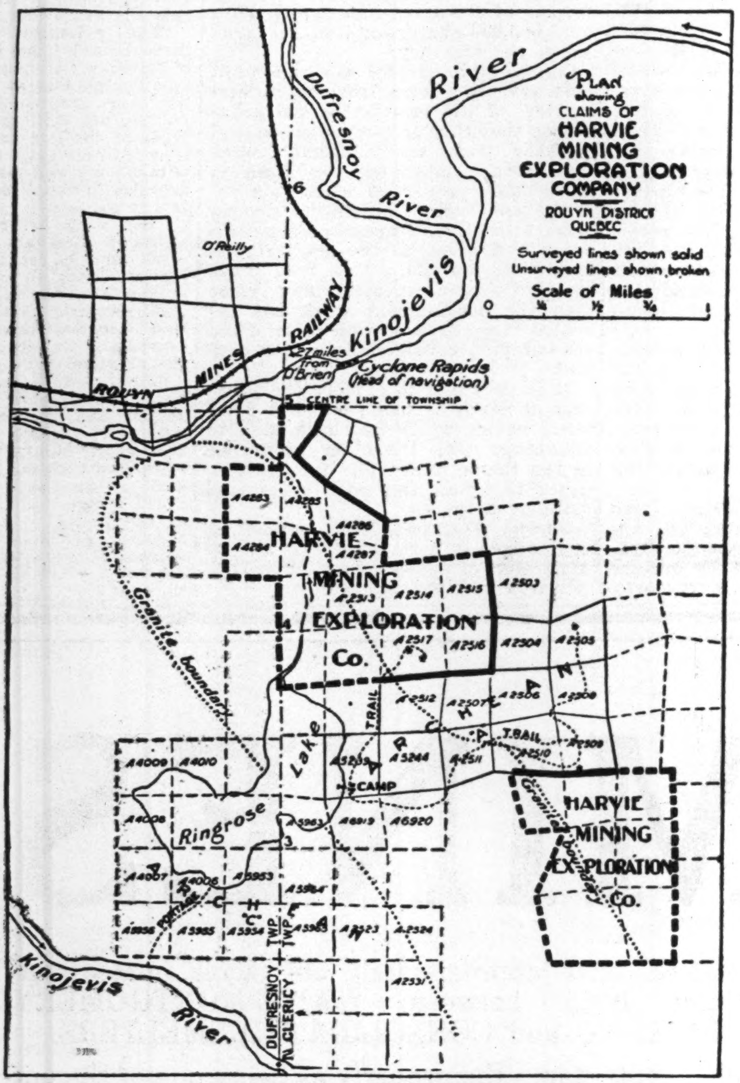
"The mapping that has been done has shown that there are a number of intrusives of acid rock (granite) and that mineralization tends to be localized around these. It is of interest that in practically every case prospects worthy of development were located within a short distance of these intrusives. The inference is that prospecting should be directed to these areas with a possibility in mind that sufficient concentrated values will be found to merit extensive development."

This was the official view in 1924 after the Noranda (Horne Mine) situation had become clearly defined, but before the Amulet, Waite-Montgomery and Harvie discoveries had been made. It is worth referring again to the map to see how definitely these outstanding developments have confirmed the views expressed above.

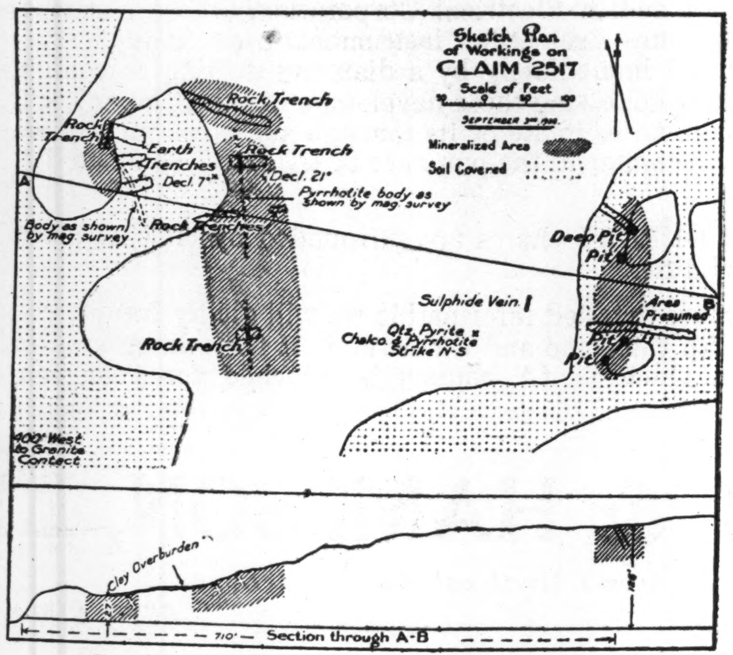
Dr. Harvie's work of the years 1924 and 1925 resulted in the securing of an area of apparent mineral saturation covering practically 1600 acres, so marked in its characteristics that it seemed reasonable to suppose concentrations of ore sufficiently large to make mines would be found.

In 1926 this area was subjected to a most searching survey and two situations lying a mile apart, one on North group and the other on South group, both about the same distance from the granite contact, were found to possess all the indications of proximity to large ore bodies.

Detailed reports on the several phases of exploration are available for those interested.


PLAN showing CLAIMS OF HARVIE MINING EXPLORATION COMPANY
ROUYN DISTRICT QUEBEC
Surveyed lines shown solid
Unsurveyed lines shown broken
Scale of Miles
0
¼
½
¾
1
River
Dufresnoy River
Kinojevis
O'Reilly
ROUYN MINES RAILWAY
27 miles from O'Brien
Cyclone Rapids (head of navigation)
CENTRE LINE OF TOWNSHIP
HARVIE MINING EXPLORATION Co.
A4283
A4285
A4286
A4284
A4287
A2513
A2514
A2515
A2503
A2517
A2516
A2504
A2505
A2512
A2507
A2506
A2508
A2509
A2510
A2511
A5244
A5243
CAMP
TRAIL
TRAIL
CHAPMAN
Granite boundary
Lake
Ringrose
A4009
A4010
A4008
A4007
A4006
A5963
A6919
A6920
A5953
A5964
A5956
A5955
A5954
A5963
A2523
A2524
A2531
"C"
PORTAGE
TWP.
TWP.
DUFRESNOY
CLERICY
HARVIE MINING EXPLORATION Co.
Granite boundary
Kinojevis River

Claims of Harvie Mining Exploration Company, Rouyn District, Quebec.


Sketch Plan of Workings on CLAIM 2517
Scale of Feet
SEPTEMBER 3rd 1926
Mineralized Area
Soil Covered
Rock Trench
Rock Trench
Earth Trenches
Decl. 7th
Rock Trench
Decl. 21°
Pyrrhotite body as shown by mag. survey
A
Body as shown by mag. survey
Rock Trenches
Deep Pit
Pit
Sulphide Vein
Area Presumed
B
Qtz. Pyrite Chalco. & Pyrrhotite Strike N-S
Rock Trench
Pit
Pit
400' West to Granite Contact
Clay Overburden
710'
Section through A-B

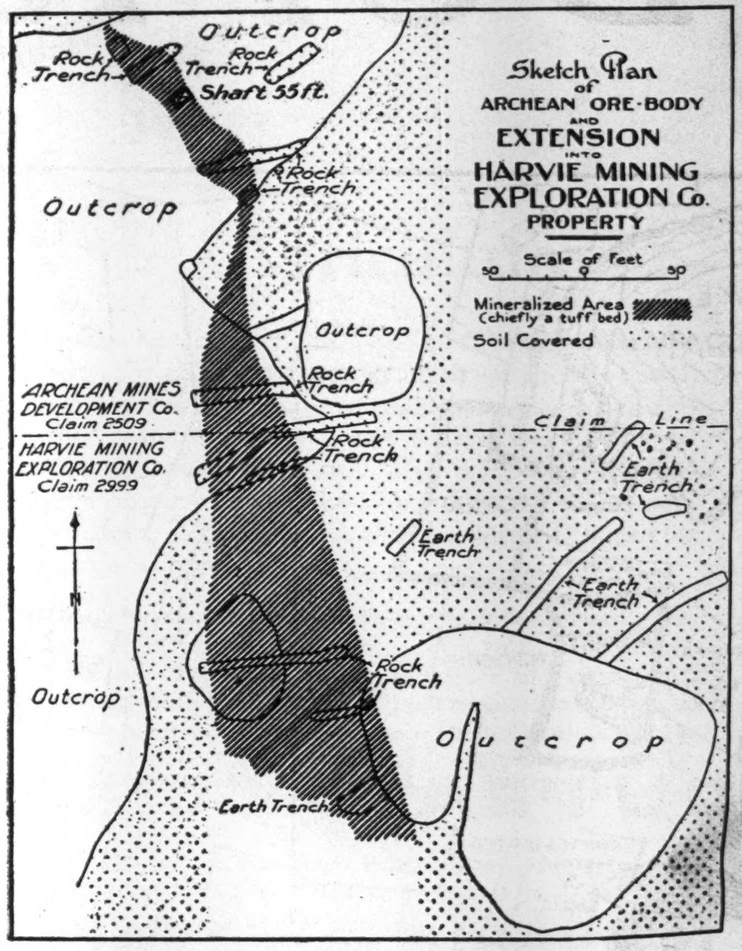
Detail sketch of situation on north group.

The Harvie Mining Exploration Company, Limited, has undertaken a programme of underground development and diamond drilling which involves an outlay of $100,000. This work will be carried on through the winter, and in view of the complete nature of the surface work and the information available, it is confidently expected that this programme will determine the mining values of these two situations. The conclusions which have been reached regarding these areas are based upon carefully gathered information. If expectations regarding the next stage of operations are justified, this Company will then possess a mine on each of its properties.

A further glance at the map will show how favourably they are situated from the standpoint of railway transportation.

Details of capital structure and personnel are available to those interested. In brief it may be said that the financing is on the same conservative basis which characterizes all phases of the Company's operations.

Copies of reports, etc., will be gladly furnished on application to


Sketch Plan of ARCHEAN ORE-BODY AND EXTENSION INTO HARVIE MINING EXPLORATION Co. PROPERTY
Scale of Feet
50
0
50
Mineralized Area (chiefly a tuff bed)
Soil Covered
Outcrop
Rock Trench
Rock Trench
Shaft 55 ft.
Rock Trench
Outcrop
Outcrop
Rock Trench
ARCHEAN MINES DEVELOPMENT Co. Claim 2509
HARVIE MINING EXPLORATION Co. Claim 2999
Claim Line
Rock Trench
Earth Trench
Earth Trench
Earth Trench
N
Rock Trench
Outcrop
Outcrop
Earth Trench

Detail sketch of situation on south group.

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